EOPLE

caffold Humor

harlton Heston

and told the congregation ion joke of his hero. Sir

Viore. Standing at a lec-the nave of St. Bride's Fleet Street where the

thery martyr worshiped was lord chancellor to

was lord chancellor to arry VIII. Heston recalled perhaps the only sain who funny. More was a man the wit and the gus to oke on the scaffold. Hestonian with a neutron

oke on the scattold." Heris touring with a portrayal
hancellor in Robert Belt's
Man for All Seasons,
when More was helped up
ladder to the scatfold up

remarked to a town off-

o you help me up master

nt? I'll see for myself com-

n. More was imprisoned ower of London for nearly

rs before losing his head for

to recognize the king as the Church of England

Duchess of York has given job as an aquisitions editor

Swiss-based publisher Red-erton. Buckingham Pale-ard. She left her salared po-

with the publishing for

Graphic Arts. some time at plans to continue working

freelance basis, the palace

op-ranked Hispanic high student unable to attend

Point because she isn't you

itizen will go to Texas A&N

rsity on a scholarship. Xoch

d Carreto, who ranked lim in

ass at Dallas's L.G. Pinkson

School, intends to enroll a

A&M in College Station and join the ROTC pro-

but says she will continue to

e her goal of attending Wes

The 17-year-old senior was

llowed to enroll at the US

ary Academy because she is

an American citizen, having

ed from Mexico with her moth

ruce Springsteen and his I at Band will kick off ther firs

erican concert tour in nearly?

later this month Columbia

ords said the 22-city tour will

n Feb. 25 in Worcester, Massa-

EMPLOYMENT

DOMESTIC POSITIONS WANTED

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SERVICES

page 4

FOR MORE

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is than three years ago.

No. 32,643

U.S. Warns of Troop Pullout If Bonn Bars Nuclear Arms

By Joseph Fitchett International Herold Tribune MUNICH — Defense Secretary Frank C. Carlucci wanted West Germany on Sunday that the United States might consider withdrawing troops from Europe if West

German policies led to all nuclear weapons bring removed from its Refusal to modernize NATO nuclear weapons in Europe, Mr. Carlucci told a conference of officials and military experts, would result

in a de facto loss of nuclear deter-rence. Then, he said, "Id have to look at whether we should keep our Foreign Minister Hans Dietrich forces here." Other U.S. participants echoed

the theme, suggesting that the United States would refuse to keep its troops in West Germany with-out tactical nuclear weapons to deter a Warsaw Pact attack on them. Defense ministers from four other NATO countries at the meeting

also pressed West Germany to agree to improve short-range nucle-ar missiles and artillery and to refuse to negotiate for their elimination in connection with the recent Intermediate-Range Nuclear The public pressure on Chancel-

tor Helmut Kohl highlighted his to combat this misconception, Mr. political difficulties in getting support from within his own center-

Republicans

Allogade M. Hale Jr.

NASS & Paul du

Bab Dole

U.S. congressmen at the meeting were surprised at the severity of Mr. Kohl's dispute with members of his own coelition as well as with the opposition. Several of the con-

The U.S. secretary of state has been asked to testify in a dispute affecting INF ratification. Page 2.

Genscher, Mr. Genscher advocates further nuclear disarmament in West Germany because, he says, it has been uniquely exposed to nu-clear risks. "Reject existentialism and Gens-

cherism," said William S. Cohen, a Republican senator from Maine. Without criticizing Mr. Kohl by name, Richard R. Burt, the U.S. ambassador to West Germany, said that West Germans were succumbing to what he called, "a very coun-terproductive triyth that West Germany has been singled out for Sovier nuclear attack."

Failure by West German leaders

Democrats

Michael S. Dukakis

Richard A. Gephardt

focused on attacking U.S. policy in

Central America.

Bruce Babbitt

Albert Gore Ir.

Josse L. Jackson

Gary Hart

Paul Simon

THE CANDIDATES IN IOWA

Gephardt Gains in Poll;

Dole Retains Big Lead

among Democrats, and Senator the caucuses.

Bob Dole of Kansas has retained a The Democrate.

commanding lead over Vice Presi-

dent George Bush among Republi-

cans going into the lowa caucuses

ON PAGE 3

■ Some words from the lowa ma-

Many lowans are having trouble making up their minds.

Social Security has emerged as

the main issue for both parties.

passing Governor Michael S. Du-

kakis of Massachusetts for second

Pat Robertson, a former televi-

sion evangelist, was in a distant third place behind Mr. Bush and

Mr. Bush distanced himself Sun-

Mr. Dole on Republican side:

jority - who won't vote.

place among Democrats.

of the NATO nuclear arsenal and slowing the movement toward arms control.

Controversy over the future of nuclear arms in West Germany has arisen following the INF Treaty, which eliminated two categories of missiles with ranges of more than 500 kilometers, an approach known as the "Double Zero" op-

> Most of the remaining battlefield nuclear weapons of NATO are located in West Germany. Calls for a "third zero" to remove these specific weapons are coming from the position Social Democrats and also from many conservatives, who contend that West Germany has been left conspicuously exposed to

> Mr. Kohl formally rejected the "third zero" in a speech Saturday. He said that West Germany wants East-West negotiations on cutting the number of short-range nuclear arms to equality for Warsaw Pact and NATO forces. Currently, the Warsaw Pact has, for example, 1,300 short-range missiles, compared with only 88 Lance missiles

> deployed by NATO in Europe.
> But Mr. Kohl also urged NATO
> to adopt what he called "a flexible negotiating approach" so that talks on cuts in short-range nuclear arms could start later this year withou waiting for other negotiations to cut the superiority of the Warsaw Pact in conventional troops.

Mr. Kohl refused to reply to re-peated questions about whether his government was ready to proceed with NATO plans to deploy improved versions of Lance and other existing short-range nuclear arms.

Citing both these problems, Mr. Carlucci said that West Germany would bring about a "triple zero" result if it allowed an arms control debate to gather momentum, or if it blocked NATO plans to install new nuclear arms under a plan set by the alliance in 1983 at a meeting of foreign ministers in Montebello in

The Montebello plan, set up at a time when prospects were bleak for an INF Treaty, was a NATO program intended to remove many older battlefield nuclear weapons number of longer-range nuclear

to equip itself with new Lance missiles, air-to-ground missiles, artil-Compiled by One Staff From Disputches ... day from changes that his campaign DES MOINES, Iowa -- Repre- has been leveling at Mr. Dole, as entative Richard A. Gephardt of candidates of both parties began Missouri has widened his lead cooling their rhetoric on the eve of

themselves to this program at the defense ministers' meeting in Dention and political restraints. The Democrats, with a tightly bunched group of front-runners, on Monday, according to a public opinion survey published Sunday by The Des Moines Register.

The survey also indicated that Senator Paul Simon of Illinois was survey as a condition of the survey also indicated that he could be willing to tolerate a Sovietic client state in the region as long as it was not "a platform for offensive military operations or the sub-Mr. Dukakis suggested that he survival of a common defense."
would be willing to tolerate a SoviMost European officials at es it was not "a platform for offen-sive military operations or the sub-the 25th International Wehrkunde his territory.

version of neighboring govern- Encounter, joined Mr. Carlucci in pressing West Germany to adopt the foreign power, but the context cess" because it seeks bilateral ne- one's experience to any other coun-Mr. Bush, appearing on an ABC firmer policies. Mr. Bush, appearing on an ABC

This general position was adopted by defense ministers or other gize to Mr. Dole's wife, Elizabeth, senior officials from Britain, Norway, Turkey, Italy and Spain. Ar-

gize" to Mr. Dole's wife, Elizabeth, if a Bush campaign statement about Mr. Dole had caused her any guing that West Germany could offense. But he declined to extend ease the worries of its citizens by an apology to Mr. Dole. determined government leader-"I don't think he's mean-spirit- ship, Defense Minister Andre Gied." Mr. Bush said. "But I don't raud of France said that Western think the charges that that campaign has leveled against me over
and over are true at all."

nations should increase the range
of their theater nuclear arms both
"to address the understandable sensitivity of our German friends

Mr. Dole, interviewed on NBC, See IOWA, Page 4



Israeli troops using batons Sunday against Palestinian women in Ramallah, on the West Bank, during anti-Israel demonstrations.

Algiers Seeks Treaty to Neutralize Libya

By Jim Hoagland

PARIS, MONDAY, FEBRUARY 8. 1988

ALGIERS - President Chadli Bendjedid is pressing his campaign to bring Colonel Moammar Gad-hafi into a regional political accord with his North African neighbors despite U.S. efforts to keep the unpredictable Libyan leader in isola-The Algerian president asserts

that U.S. pressure is driving Colo-nel Gadhafi into "an alliance with the devil" that threatens stability in North Africa.

Colonel Bendjedid welcomed Colonel Gadhafi in the eastern and replace them with a smaller coastal city of Annaba on Saturday after the Libyan ended a two-day visit to Tunisia. That visit, ar-Mr. Carlucci said NATO needed ranged through Algeria, was Colo-

lery shells, bombs and aircraft that could carry either nuclear or conventional weapons.

In an interview earlier, the Algerian ers for The Washington Post and Newsweek magazine, the Algerian United States to drop its opposition president also made these points: The European members of tion to the accelerating Algerian NATO, he urged, should recommit efforts to "neutralize" Libya

"If we isolate it, we leave Libya mark this spring, to demonstrate their "political will to ensure the to have an alliance with the devil Colonel Bendjedid said, warning Most European officials at the that U.S. policy could push Colonel Gadhafi to agree to the establish-Gadhafi to agree to the establishment of foreign military bases on

which is the main arms supplier for both Libya and Algeria.

If this were to occur, Colonel is called, he added. Bendjedid added, Algeria also will require the presence of foreign prove military cooperation with the United States.

on Colonel Gadhafi. The United States bombed Libya in April 1986 in retaliation for Colonel Gadhafi's alleged support for terrorists.

In a three-hour conversation late last week with Katharine Graham, chairman of the board of The Washington Post Co., and report-· He sees "no possibility of ending the war" between Iran and Iraq

"in the near future." weapons but has balked thus far in part because of conditions imposed on proposed sales. Budget con-

straints caused by falling oil prices also have delayed such purchases. deal with."

was referring to the Soviet Union, dan. Arab nations are prepared to and frontiers, according to Colonel be flexible on a final settlement if Bendjedid. an international peace conference

• He wants to include Morocco continued when pressed about U.S. in the same regional grouping that accusations against Colonel Gadbases." He again declined to be he is pushing Libya to join, and he haft. "We see this through the Libyspecific but at another point spoke wants to construct a joint gas ex- an people, because the leadership intensely about his desire to im- port pipeline with Morocco if the will not remain forever. The United war in the disputed Western Sahara

Colonel Bendjedid, a 59-year-old The Reagan administration pub-licly has criticized Algeria's efforts to break the diplomatic quarantine

Colonel Bendjedid, a 59-year-old former army officer who came to power in 1979, laid strong emphapower in 1979, laid strong emphasis in the interview on the improvements that have occurred in U.S.-Algerian relations.

He discussed publicly for the first time his strategy of getting Colonel Gadhafi to sign the 1983 friendship treaty that links Algeria. Tunisia and Mauritania as a way of "freezing" Libya's support for de-stabilization of its neighbors and terrorist operations elsewhere.

"What we are doing will not let Gadhafi go ahead with the practice of terrorism," he asserted. "On the Algeria wants to buy American contrary, we are going to impose conditions and these conditions have to be respected. If tomorrow Gadhafi does not respect his commitments, it will be our problem to

ent of foreign military bases on Section A new Middle East peace effort by the United States does not Colonel Bendjedid did not name seem to have any chance of suc
"not to interfere, not to export

of his remarks made it clear that he gotiations between Israel and Jor- try, to respect the existing regimes"

because of its head of state," States bombed Libya, but Libya is

Colonel Bendjedid said he now had "an agreement in principle from all the parties" that Libya will join the friendship treaty. He said a date had not been fixed.

Algeria has sought to maneuver the nations of the region into common economic projects and a loose political union out of concern over the conflicts on its borders created

separate Arabs into different coun- some residents. tries and has been lobbying Colonel Bendjedid for a constitutional Umar, a small village north of the political union that would be the city of Hebron, where three resifirst step for a larger pan-Arab dents were shot to death by soldiers

hasi's proposal had been cloaked in had fired shots into the neighbor-

See ALGERIA, Page 4

Israelis Shoot 3 Arabs

Violence Erupts On West Bank; Death Toll at 48

By Glenn Frankel Washington Post Service

BEIT UMAR, Israeli-Occupied West Bank — At least three Palestinians were killed in clashes on the West Bank on Sunday as two other Palestinians injured last week also died from their wounds, bringing total deaths since Arab-Israeli clashes began in December to at

The worst confrontation was in the southern West Bank, an area that has been relatively calm since the start of the violence on Dec. 9.

One of the two who died of their wounds, a 15-year-old resident of a Gaza Strip refugee camp who had received a blow to the head, may be the first known fatality from the Israeli Army's policy of beating alleged rioters. The other was a 10year-old boy.

At least four neighborhoods in predominately Arab East Jerusa-lem were hit by renewed violence. The army, invoking seldom-used emergency powers for the second time in two weeks, imposed a military curiew on a refugee camp inside the city limits.

Tensions have been building in the south since the middle of last week, when some of the Jewish settlers who live in the area began organized retaliation against stone throwing in villages along the main highway. Settler vigilantes have invaded some villages, smashing car windows and hauling off suspected stone throwers.

On Friday, the National Committee for the Uprising in the Territories, a clandestine steering group led by the Palestine Liberation Organization and various nationalist factions, issued its sixth leaflet calling for an escalation of rioting and for demonstrations Sunday.

The combination of two volatile by Libyan involvement in Chad, elements — the call for protests Morocco's annexation of the for- and the panic touched off in many mer Spanish Sahara territory and villages by rumors of settler incurpolitical uncertainty in Tunisia. villages by rumors of settler incursions — set off the latest round of Colonel Gadhafi, however, at- violence that began Saturday night, tacks the existence of frontiers that according to army officers and

The worst incident was in Beit in a clash Sunday morning. Wit-Until last week, Colonel Bendje-did's attitude toward Colonel Gad-residents heard rumors that settlers

See ISRAEL, Page 4



JAPANESE RIGHTISTS BATTLE POLICE — Rightist protesters fighting with policemen Sunday in Tokyo at a demonstration outside the Soviet Embassy. The protest was to demand the return of four northern islands that the Soviet Union has held since the end of World War II.

Kiosk **Mudslides Kill** 127 Near Rio

RIO DE JANEIRO (Resters) — Floods and muddides have killed at least 127 people in Brazil, including 100 in the nation's old "summer capital" of Petropolis, just north of here, Civil Defense officials said Sunday. Petropolis was isolated and

without electricity following the disaster over the weekend. MONDAY O&A



official, discusses Moscow's progress in attracting investment. Page 13.

Business/Finance Rupert Mindoch has agreed to sell the New York Post for \$37 million contingent upon major union concessions. Page 11.

Special Report investors are taking a new interest in small stocks. Personal lavesting. Pages 7-10.

Can Americans Curb Their Spending Habits?

By Louis Uchitelle New York Times Service NEW YORK — For years, Americans have been the world's most determined, enthusiastic consumers. The simple living conveyed in Norman Rockwell's illustrations or Grant Wood's famous painting of a severe, Midwestern farmer and his wife, has been lost in the 1980s.

In one sense, America's free spending has been good for the world. The endless buying and importing has kept factories humming everywhere. The United States, as economists like to say, has been the locomotive of the economic expansion since 1982, staving off recession

To keep up their purchases, however, Americans have spent beyond their means, a phenomenon reflected in their very low personal savings rate — the lowest since the 1940s and also in the U.S. budget deficit. Without enough savings, the deficit will persist, and with it, the need to borrow hundreds of billions of dollars from abroad.

But now the nation is getting a rare chance — a "window of oppor-runity," as Paul Samuelson, a Nobel laureate in economics, calls it - to spend less, save more and still not damage the fragile world economy. Foreign consumers are creating this opportunity, by relieving Americans of some of the buying burden.

The sharp rise in American exports is one sign of this new spirit of consumption abroad. With others taking up the buying slack, American consumption might even be able to slow down, as it has in recent

months, without provoking a recession.
"Don't sound the bugles yet," Mr.

to nuclear risks and maintain deter-

Samuelson said, "but we in America are in a position to shift back from a high consumption gear to a savings gear without sacrificing output or employment."
Not everyone agrees. Paul David-son of the University of Temessee.

editor of the Journal of Post Keynesian Economics, for example, insists that in the aftermath of the stock market collapse, the American economy is so precarious that any tinkering with domestic consumption could set off a crash, no matter how strongly exports grow to offset weaker buying at home. And Alan Reynolds of Polycono-

mics inc., a consulting firm, contends that the low personal savings rate is not a problem. Enough sav-ings have been accumulated worldwide, he says, to finance whatever investment is necessary, in America

In his view, as long as the United States generates enough income to pay the interest on its borrowings, it does not matter whether the money borrowed comes from savings accumulated in the United States, Japan, Europe or elsewhere.

"My answer," he said, "is that we are investing in more than enough income-producing assets to carry the debt easily in the years ahead."

This view is in the minority, however. In Washington, in corporate America and in capitals around the world, the more common feeling is a See BUY, Page 15

surprising speed. A day earlier, Foreign Minister Choi Kwang Soo disclosed that the and despite a threat from their ally, planted a bomb aboard the flight South Korean trade promotion agency opened an office in Bada-

dealy become the rage.

growing sense of urgency; that nation, Similar missions are expect- battle to be recognized as the capi-America must find a way to curb its ed soon from Poland, East Germa- tal of the "real" Korea. ny and Yugoslavia, officials said. Officials said South Korea might smoothly staged, Seoul will defi-

office opening in March.

When Transportation Minister munist boom" in a nation where The overtures toward the com-Cha Kyu Hun unveiled plans last books by Karl Marx cannot legally munist world are especially remonth to spur tourism between be sold is the Olympic Games markable for following so closely South Korea and such nations as scheduled for Seoul in September. upon the apparent sabotage of a China and the Soviet Union, he China, the Soviet Union and most Korean Air flight in November. A was only the latest to jump on a East bloc nations have accepted woman who was arrested after flybandwagon that has been gathering invitations to the Games, even ing on the first leg of the flight ficial relations with South Korea, North Korean agent who had North Korea, to boycott the event.

pest in December and that Hunga- are wider markets for South Ko- er nations to do the same. ry would reciprocate with a Seoul rea's industrial goods, expanded The exchange will represent the source-poor nation and, perhaps first official relationship between most important, increased interna-

"Once the Seoul Olympics are

By Fred Hiatt even extend development loans to nitely become the center of politics East European nations, despite the and culture, and Pyongyang will be country's own sizable debt. Chi-degraded to the status of an illegal anti-communist nation, making nese language courses have sud-local government," said kim denly become oversubscribed. Chang Soon, director of the Insti-The immediate spur to the "com- tute of North Korea Studies.

> though none of them maintains of- confessed last month to being a Seoul harshly condemned North The longer-term goals, however. Korea for the attack and urged oth-

South Korean officials are anxsources of raw materials for a recommunist nations any reason to South Korea and any communist tional respectability in Seoul's long kept the criticism focused tightly ports, is the Bocing 767. on North Korea. They did not publicize the agent's confession until

See KOREA, Page 4

Western Aircraft Firms Look to the East Bloc

By John Tagliabue New York Times Service

WARSAW - Western aircraft manufacturers are positioning themselves for possible sales to viet market.

Sales of the jet passenger aircraft that the East bloc airlines are desperately seeking are far from cer- companies in Germany, France.

nuge debts, making expensive purchases difficult, especially in the Western currencies that are in short supply here. In addition, such sales would have broad implications both for the Soviet Union, as the East bloc's technology pacesetter, and for the West, whose policy has been to restrict high-technology exports to the East because of their potential for military use.

concerns and other reasons, several East bloc airlines are reported to be negotiating the purchase or lease of Western civilian aircraft.

If the deals succeed, they would

shatter a virtual monopoly of the its North American rivals, Boeing peace process. Co. and McDonnell Douglas Corp.

new generation to replace its older Byushin, Tupolev and Antonov aircraft now in use by its allies. But East bloc officials say deliv-

Moscow has pledged to deliver a

cries are not likely to begin until the

rector of Poland's state-owned Lot preted in favor of Ortega but as an Airlines, announced in January opportunity for the peace plan" that his company was discussing signed by five Central American with Western manufacturers the presidents in August in an effort to purchase of two or three long-range end armed conflict and encourage aircraft that would go into service democracy in the region. One of the planes under consider- Mr. Arias said, "Now that aid has shun the Olympics, and so have ation, according to Polish news re-In Budapest, Hungarian officials

said the national airline, Maley, wanted to lease Western-built medium-range planes for European

routes. The Hungarian press agency MTI recently reported from Bu-dapest that Maley was on the verge of leasing at least two 747s from an American company, Sunworld In-Eastern Europe as chinks appear in what was once a closely walled Soternational Airways, in order to be-New York.

And in West Germany, execu-For one thing, most East bloc governments are burdened with for their planes. Franz Josef Strauss, the premier of Bavaria and See JETS, Page 15

Arias Urges Communists Still, because of Soviet inability to meet demand, safety and noise To Halt Aid

By William Drozdiak and William Branigin Washington Post Service

SAN JOSE, Costa Rica - Presimarket by the Soviet Union. More-dent Oscar Arias Sánchez has over, they would spill onto fresh called on the Soviet Union and Eastern European terrain the bitter Cuba to cut all military aid to battle among Western Europe's Marxist rebels in Central America Airbus Industrie consortium and as the next step in the regional

Mr. Arias welcomed the vote last week by the U.S. House of Representatives rejecting further military aid to the U.S.-backed Nicaraguan rebels, known as the contras.

Referring to Nicaragua's president, Daniel Ortega Saavedra, he Jerzy Słowinski, the general disaid the vote should not be "inter-

In an interview at his residence, been cut to the contras, we must also ask the Soviets as well as the Cubans and all those who have been supporting the guerrillas in El

See PEACE, Page 4

Finding Komsomol Too Dull, Soviet Youths Look Elsewhere

New York Times Service

MOSCOW - Viktor L Mironenko's son, Dima, turned 14 a month ago, and like most Soviet teen-agers he now faces an important decision. Will he join Komsomol, the huge youth arm of the Communist Party and the route to power and prestige pluralism and democracy. for generations of Communists, including Mikhail S. Gorbachev?

Not long ago the answer would have been obvious: Dima's father is the national head of Komsomol, Yet. Dima is undecid-

"I tried to talk with him twice about this subject, but he hasn't given me an answer," said Mr. Mironenko, with a trace of exasperation. "He evades the answer. He says, I have to think about it.'

Dima's hesitation about something that was once a foregone conclusion of Soviet adolescence is one symptom of turbulent times in the Communist youth organiza-

In growing numbers, Soviet young peo-ple are rejecting Komsomol as stuffy and doctrinaire, and some of them are trying to organize their own, independent forms of about 38 million, since 1985, and that the political activity.

ship has declined by nearly four million, to nearly a quarter of a century.

He oversees an organization of 100,000 organization of 100,000 more recently, Komsomol has faced unpaid apparatchiks, with a budget he esti-

Driving on Lake Ice

Is Pleasant But Risky

Frozen lakes have always been

a place of wintertime recreation in the northern United States.

People skate on them, play ice

hockey on them and bore holes

through their thick frozen sur-

faces to fish. Cars often fall

through the ice, occasionally

with fatal results. The law re-

quires that sunken cars be sal-

vaged promptly in order to mini-

mize pollution and hazards to

navigation when summer comes.

Car retrieval is a profitable busi-

Some people's notion of a

good time is to speed, skid, spin

and do figure-eights in the cars on the ice, William E. Schmidt

reports in The New York Times

from Polk City, Iowa. Some use

their cars to commute to ice-fish-

Driving on frozen lakes, both

as recreation and as a shortcut to

destinations on opposite shores, is legal in most Middle Western

states. County workmen plow

roads through the snow on Lake Winnebago in Wisconsin, which measures 10 by 50 miles (16 by

80 kilometers). Sheriff's deputies

patrol the lake and issue tickets

for speeding or reckless driving. An average of 15 cars a year fall

through the ice of Lake Winne-

bago. Steve Dawson fishes automo-

biles from the bottom of icy lakes

with a chain and grappling book.

The service can cost as much as

"Guns don't kill people, bul-lets do," Senator Daniel Patrick

Moynihan, Democrat of New

York, said in a letter to The

Washington Post. He has intro-

duced a bill to ban production

and sale of .25 and .32 caliber

Night Specials," the cheap pis-

tols commonly used in felonies.

He said he would introduce fur-

ther legislation to outlaw the

9mm rounds used in the Uzi sub-

machine gun, now becoming the

Elizabeth Taylor, who has written a book, "Elizabeth Takes

Off," about reducing from 180 to 120 pounds (81 to 54 kilograms),

was asked by a Los Angeles Times reporter if she had had a

face-lift. She replied: "I did have

a chin tuck, because there was so

in a single malt.

Isle of Jura

SINGLE MALT SCOTCH WHISKY

The flavour of an island

drug world's favorite weapon.

Notes About People

\$2,000 per car.

ing shanties far offshore.

quarters, Mr. Mironenko talked for nearly three hours about Komsomol's dwindling membership, its tarnished reputation, and the challenge presented by unofficial political clubs that have sprung up in response to Mr. Gorbachev's promises of greater

bureaucracy and self-importance, but in-sisted that the organization would recover its position as the unquestioned molder of orthodox Marxist-Leninists. The rumors of the death of Komsomol are greatly exaggerated," he said, reciting a

He criticized Komsomol for lapsing into

line he has had occasion to use more often than he would like. He denied charges that Komsomol is out to crush the activities of independent polit- some careers, such as teaching, the law, the improving treatment of veterans. ical clubs that have emerged as budding rivals to his organization. But he conceded that he had read and supported a personal

attack on several leaders of unofficial political groups before it was published last Sunday in the Komsomol newspaper. He disclosed that Komsomol member-

PLENTY OF PUFF — At a surprise 77th-birthday luncheon

at the White House on Saturday, President Ronald Reagan

blows out the candles on a cake presented by wife, Nancy.

guest room a new daybed/For

unannounced visits from Cousin

Fred." When a local magazine

did a cover story about him in

1986, it quoted one advertising

executive as calling him "an em-

barrassment to the advertising

industry as well as to the furni-

ture industry." Mr. McIngvale

cheerfully recounts, "I can't tell

you how many times someone is

out there signing a check and

they look up and say, I want you

to know I hate your ads.' I think

that's fine, just keep writing the

A \$500,000 chapel will be built this year at Camp David, the

presidential retreat in the Catoctin Mountains of Maryland, with

private contributions. A White

House spokeswoman said it will

be octagon-shaped, with 150

seats. The chapel was proposed

to Mr. Reagan last fall by Ken-

neth Plummer, a retired builder

in the area, who recalls camping there as a Boy Scout before Camp David was established.

Mr. Reagan not only approved the idea, but made the first con-

80,000 Bureaucrats

Lose Jobs in Ukraine

MOSCOW - Nearly 80,000 bu-

reaucrats have lost their jobs in the Ukraine as part of a campaign to

streamline administration in the

Soviet republic, according to the

local Communist Party newspaper.

when 14 ministries and government

agencies and 83 lower-level organizations were abolished, said the

Feb. 6 edition of Pravda Ukrainy. torate on his behalf.

The officials were dismissed

Arthur Higbee

mibution, \$1,000.

much skin. I haven't had suction.

I haven't had a face-lift." The

actress added, "This is the last

time I'm going to answer this

question, because it's nobody's

Donald T. Regan, the former

White House chief of staff, was one of the speakers at the 75th

annual Alfalfa Club dinner of

650 Washington powers that be,

such as President Ronald Rea-

gan and former Secretary of

State Henry A. Kissinger, It was

held the night before the most

publicized game in U.S. sports

was played in San Diego, 3,000

miles (4,850 kilometers) distant.

"It's a humbling experience,"

before hundreds of eminent men

who are willing to admit publicly

that they're here because they

haven't got the clout to get a Super Bowl ticket."

Every city, notes The New

York Times, has at least one "in-

escapable television pitchman." In Houston, it's Jim McIngvale,

37, who sold \$25 million worth of

furniture last year. He spent \$3 million on high-decibel commer-

cials with lines like, "And in the

Short Takes

damned business."

AMERICAN TOPICS

who believe that a growing number of to clean house and give Komsomol a more

vouth organization. Komsomol — whose full formal title is military officer ranks or journalism.

for economic and political change.

By Gary Lee

Mr. Talvzin, 59, one of the senior

troduce the economic revisions

promoted by Mikhail S. Gorba-

chev, has been named chairman of

the Bureau for Social Develop-

Yuri D. Maslukov, 51, was

named the new chairman of the

The replacement of Mr. Talyzin

was viewed by Western analysts

here as a signal that the Kremlin

was dissatisfied with the slow pace

of reforms, and was placing the

chev attacked Mr. Talyzin and oth-

er economic officials for not recog-

nizing shortcomings in the Soviet economy. The public criticism was

viewed as a warning to Mr. Talyzin

that his job could be in jeopardy.

called on to remedy problems in

civilian economy.

to work in different sections of the Treaty.

ing, transportation and youth. a result.

Mr. Maslukov also was appoint-

planner in the defense industry.

South Africa Poet

CAPE TOWN — For the second

time in a year, the South African

poet Breyten Breytenbach has been

refused a visa to visit his country, a

Mr. Breytenbach, who lives in

government official said Sunday.

France, had sought permission to go to South Africa in March to

accept an honorary doctorate from

the University of the Western

Cape. Last year he applied for a visa to visit his hospitalized father.

Gerrie van Zyl, director-general

of home affairs, said the latest ap-

plication, like the one in 1987, was

turned down. South Africa does

not give reasons for visa decisions.

The Afrikaans Sunday newspaper Rapport, published in Johannes-burg, said Mr. Breytenbach asked

his sister, Rachel, to accept the doc-

Is Refused a Visa

The appointment of Mr. Maslu-

blame on high-level personnel.

ment. Tass said Saturday.

At Komsomol Central Committee head-has dropped by one fourth. He said this mates as "several hundred million" rubles. organizations, including a nationwide net-parters, Mr. Mironenko talked for nearly reflects "a certain loss of authority," but A former history teacher with the ear-three hours about Komsomol's dwindling also results from a deliberate decision to nest, animated speaking style of a pracease the pressure on teen-agers to join.

He said he agrees with Soviet analysts from the Ukraine in July 1986, apparently ticed politician, he was brought to Moscow of various stripes.

change the policy banning those who be-three times, keeps a computer near his An internal report prepared last fall by lieve in God from Komsomol. Atheist edu-desk, and sprinkles his conversation with the agitation and propaganda department

Since his arrival in Moscow, Mr. Mironthe All-Union Leninist Communist Union enko has begun to shift Komsomol's em-mol, and recommended procedures to disof Youth — is open to young people 14 to phasis from tedious meetings and pointless 30, and while membership is not mandacivic projects to such matters as improving tory, it has long been considered important scientific and professional training, confor admission to good universities and for struction of youth housing complexes, and

But the criticism has not abated, Many Under Mr. Gorbachev, Komsomol has young people still joke about Komsomol the added task of mobilizing an ambivalent activists, calling them "troikas," slang for younger generation behind the campaign three-piece suits. Boris N. Yeltsin, before his removal last November as head of the Mr. Mironenko, 34, is the youngest man Moscow Communist Party organization, are, maybe not anti-socialist, but with their to head the Communist organization in called Komsomol "undemocratic and out

Washington Past Service sions. They been introduced gradu-MOSCOW — Nicolai V. Taly-ally since Mr. Gorbachev came to

zin, the head of the powerful Soviet power three years ago, and are ex-

Committee for State Planning, has pected to undergo close observa-been transferred to another post, tion at a major conference of the the official Tass news agency re-Soviet Communist Party in June.

was the chief of the Military-Indus- introduce into all spheres of our

kov is the latest in a series of indica- Committee, said Sunday that he

tions that officials from the Soviet had invited Secretary of State

military-industrial sector are being George P. Shultz to appear before

In recent months, other senior mili- cantly delay ratification of the In-

Mr. Talyzin will keep his posi- ministration witnesses on the treaty

tion as first deputy prime minister. until the issue is cleared up, Sena-

The Bureau for Social Develop- tor Nunn said, so there will be at

The shake-up at Gosplan could and Senator Nunn's concerns over

be the result of an analysis of the the issue. They wrote Mr. Shultz-

officials who was appointed to in- ton Post reported from Moscow.

Moscow Replaces Official in Charge

Of Carrying Out Economic Reforms

■ Economist Urges Change

David Remnick of The Washing-

A Soviet economist known for

his support of many free-market

ideas has called for an understand-

ing of the economy that is a radical

departure from orthodox Marxist-

Leninist ideology and practice. Nikolai Shmelyov said in an in-

planning committee, which is terview in the current issue of the of 7 to 10 percent, state farms and known as Gosplan. Mr. Maslukov Moscow News that "we have to industries would be able to raise

In a speech in June, Mr. GorbaIn Arms Treaty Dispute

MUNICH - Senator Sam

Nunn, the Georgia Democrat who

heads the Senate Armed Services

the committee to discuss a constitu-

The committee will hear no ad-

Senator Robert C. Byrd, a West

administration would satisfy his

last week expressing dismay over

the administration's refusal to de-

clare that testimony by administra-tion officials about what the treaty

"This is just a little internal dis-

agreement," Senator Byrd said. "I

believe the assurances will be

Senator William S. Cohen, a

Maine Republican, also said that

he expected the dispute to be re-

The root issue in the controversy

does not concern the INF Treaty.

Instead, it grows out of a dispute over the administration's position

that the 1972 Anti-Ballistic Missile

Treaty allows tests of missile de-

ABM Treaty conflicts with testi-

mony from Nixon administration

officials at the time of Senate ratifi-

That broad interpretation of the

fense technologies in space.

military affairs conference.

means is legally binding.

Senators Invite Shultz

Last November, Komsomol brought most of the veterans' clubs under its wing, who believe that a growing number of Soviet young people are drifting toward modern image.

The has traveled to the United States influence over other independent groups.

The has traveled to the United States influence over other independent groups.

An internal report and processed last fall by cation is one of the primary tasks of the lines from Twain, Saint-Exupery, and Na- of Komsomol warned that independent groups were luring away young people "disillusioned by formalism" in Komso-

> credit "extremist leaders" and bring the others "within the framework of existing Komsomoi organizations. Mr. Mironenko said the document was sent to local Komsomol officials as "orientation and guidance." He insisted it did not amount to stifling or banning independent

But he added, "There are groups that

own interpretation of socialism." In those cases, he said, Komsomol "should sustain relations until the group is within the

is immoral, and all that is effective

He said that under the present

system, unattractive interest rates

for personal savings discouraged

people from making long-term de-

banks could then finance new busi-

nesses, making more goods and services available to the people.

Mr. Shmelyov also said that if

enterprises were permitted to issue

and sell shares and people allowed

to invest in them at an interest rate

If that were to change, he said,

is moral.

posits in banks.

WORLD BRIEFS

veial Secu New Waldheim Documents Emerge

VIENNA (Renters) — A historian investigating Kurt Waldheim's wartime past said Sunday that he had found documents that will strengthen the case against the Austrian president by backing evidence

compiled by a panel of historians. computed by a panel or instorians.

Jean Vanweikenhuyzen, a Belgian member of the panel, said he obtained the previously impublished documents on Saturday when he visited an archive in Yugoslavia while on a last-minute effort to find

another document thought to incriminate Mr. Waldheim. The six-member International Commission of Historians has spent The sex-member international Commission of rustonals has spent spent five months investigating Mr. Waldheim's wartime activities and on Monday will deliver a report to Chancellor Franz Vranitzky that is expected to be highly critical of Mr. Waldheim's role in Hitler's army

during World War II.

Mr. Vanwelkenhuyzen said the new documents did not name Mr. put into context a document that appeared in the West German magazine put into context a document that appeared in the West German magazine Der Spiegel last week. That document purports to be a 1942 telegram saying Mr. Waldheim ordered the deportation of more than 4,000 Yugoslav civilians. Waldheim, who denies allegations that he was involved in war crimes, but political activity, as some who learned of it

2 Jets Nearly Collide Over England

LONDON (AFF) — The Civil Aviation Authority ordered an inquiry Sunday into the near-collision of a British Airways TriStar and a Bailean Airlines Tupolev-154 over southeast England.

Airmes Tupolev-104 over sommeast Engined.

The TriStar, with 343 people on board, came near to colliding with the Tupolev, carrying 154, as they descended Saturday toward Heathrow and Gaiwick airports. The aircraft came within 300 meters of each other before the captain of the TriStar swerved up and to the right to avoid lisaster, a British Airways spokesman said After the incident, both planes landed safely.

UN Agency May Cut Back in Lebanon

VIENNA (Reuters) — The United Nations Relief and Works Agency aid Sunday that it may be forced to halt its operations in parts of Lebanon after the kidnapping of two of its workers near the southern city performance of the economic revisions. They been introduced graduall that is economically ineffective

Masked gammen seized Jan Stening, 44, of Sweden, and William Joergensen, 57, of Norway, on Friday. The victims were among 14 international staff members with the agency in Lebanon, which provides aid to 280,000 Palestinian refugees. More than 2,000 Palestinians also work for the organization.

"Whatever the outcome of this event," the agency said, "we will have to seriously consider calling a halt to our operations in the Sidon area or a even in other parts of Lebanon if we cannot be guaranteed freedom of movement for our staff carrying out their humanitarian task."

U.S. Asked to Help Marcos Daughter

R. Marcos has begged U.S. officials to allow her daughter, Innee Marcos Manotoc, to come to the United States for gynecological treatment.

Mrs. Marcos, wife of Ferdinand E. Marcos, the former Philippine president, said Saturday that Mrs. Manotoc, 30, who lives in Morocco, has lost 15 pounds (7 kilograms) in recent weeks. The former presi-dent's wife said this may be due to complications stemming from the birth of a stillborn child four years

HONOLULU (UPI) — Imelda

less she agreed to appear before a grand jury investigating her father. The grand jury is looking into the alleged kickbacks of millions of dollars from U.S. funds to the Phil-

For the Record

He added that it was not the

■ White House Criticism Michael R. Gordon of The New York Times reported earlier from Washington:

the treaty. The criticism was made by a White House official on Saturday

who said he was providing the offi-cial position but who declined to be identified. He also suggested that the public would not support the move by Senate Democrats

solved rather quickly, although he did not say how. The senators were in Munich to attend a top-level specific concerns of the senators.

> partment spokesman, said: "We are confident that the concerns of the senators can be satisfied." She added that Mr. Shultz would be "available to answer all questions" from the senators on this issue.

not say how it would satisfy the Senate Democrats without alienatcation of the pact. But the Reagan ing conservative Republican senaadministration has contended since tors, who are contesting the Demo-1985 that officials' testimony might crats' position.

By Robert J. McCartney not reflect the true meaning of an arms control treaty.

> That position enraged many Democratic senators, who now want to prevent the administration from making the same argument over the INF Treaty. "The ball's in their court," Sena-

tor Nunn said, alluding to the Reathe civilian sector of the economy. tional dispute that could signifi- gan administration. "We're going to have to have answers."

tary officials have been transferred termediate-Range Nuclear Forces purpose of the committee to hold up the INF Treaty, but he said there would be "some kind of delay" because of the need to rearrange his committee's schedule for witnesses while awaiting Mr. ment handles such matters as hous- least a small delay in ratification as Shultz's appearance.

Senators Nunn and Byrd plan to ed a first deputy prime minister. He virginia Democrat who is Senate tetal has spent most of his career as a majority leader, predicted that the end.

> The White House has criticized Senate Democratic leaders for

> threatening to delay approval of

State Department officials, by contrast, took a more conciliatory public line, without addressing the

Phyllis E. Oakley, a State De-

But the State Department did

ago.
Mrs. Marcos said she had been

told that her daughter would not be allowed into the United States un-



An enamed Trident-I missile exploded Saturday 18 seconds after it was launched on a training test from the nuclear submarine Smoon Bolivar several miles off Cape Canaveral, Florida, the U.S. Navy report-

ed, adding that it would study what went wrong.

(AP)

A moderate earthquake rocked parts of Bangladesh and India on Saturday night, killing two persons and injuring more than 100, according to the authorities and news reports. The deaths and most of the injuries came at Slyhet, in northeastern Bangladesh, the government newspaper Dainik Bangla reported. (AP)

TRAVEL UPDATE

U.K. Ferries Work on Strike Backlog LONDON (Reuters) — Congestion at English Channel ports in

Britain eased on Sunday after most British ferry seamen called off a national strike and returned to work. Seamen at Folkestone and Dover obeyed an order from their trade

union to resume work and began to reduce a backlog of hundreds of trucks waiting to cross the channel

But service between Dover and Calais, France, the main ferry route, continued to operate at half normal capacity following a vote by 3,000 seamen of the P&O line to stay out in a local dispute over threatened job

Ground staff of TAP-Air Portugal, the state-run airline, has called a 24-hour strike for Friday to press a wage demand. Union sources said the airports at Lisbon, Oporto and Faro would be severely affected. (Reners)

Quantas Airways Ltd. says it will begin service between Australia and New York in early April. Flights to Melbourne and Sydney, with a stop in San Francisco, will depart New York at 6 P.M. on Wednesdays, Fridays and Sundays, Quantas said. Flights to Sydney via Los Angeles will depart New York at 6 P.M. on Mondays, Thursdays and Saturdays. The New York-to-California legs will be aboard American Airlines planes. (UPI)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays: MONDAY: Grenada, Iraq.

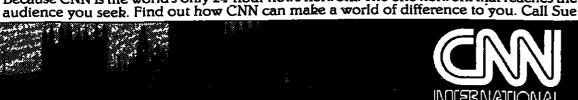
TUESDAY: Lebanoa. WEDNESDAY: Bolivia, Malta. THURSDAY: Cameroon, Japan. Liberia, Vatican City. FRIDAY: Manriting

Source: Morgan Guaranty Trust Co., Renters.

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Ginzel in New York 1-212-692-6930.

Whitehead Says Ceausescu Resented Iranians Hit U.S. Concern on Rights in Romania U.S.-Owned

diplomatic protocol Saturday to turn his airport departure statement into a blunt official U.S. denunciation of Romania's record on human rights.

"I must sav in all candor that I

"I must say in all candor that I was disappointed at not being able to convey successfully to President



for free evaluation

PACIFIC WESTERN UNIVERSITY 600 N. Sepulveda Blvd., Las Angeles, California, 90049, Dept. 23, U.S.A.

human rights policies.

The official, Deputy Secretary of State John C. Whitehead, set aside diplomatic protocol Saturday to

In an interview, Mr. Whitehead

the press.

Speaking at the airport, Mr. Whitehead complained specifically about events at a reception for what he called "nonofficial Romanians," held at the U.S. ambassador's residence. "A number of guests were discouraged by the po-lice from meeting with me and gained access to the residence only after considerable difficulty" he said, adding that "others were prevented from coming at all."

One major issue in U.S.-Romanian relations involved the U.S. practice of granting most-favorednation trade status to nations that

By Henry Kamm

New York Times Service

BUCHAREST — After meeting with President Nicolae Ceausescu freedoms," Mr. Whitehead said.

"He seemed to reseat my meeting of the seemed to reseat my me

31 no exit permits had been issued. "That, of course, is disturbing," he said. "Whether they like it or not, that is our law, and the president will evaluate their performance by this standard. And there are a whole reason of other things in the

pant to Americans." Romania and the United States have enjoyed relatively close ties in the past, based mainly on Roma-sources said.

siovakia in 1968.

with President Nicolae Ceausescu
for nearly three hours, a visiting
U.S. official said he had found the
Romanian leader unwilling to listen to American concerns about human rights policies.

The official, Deputy Secretary of
The official, Deputy Secretary of
The official, Deputy Secretary of
The official of these subjects.

"This was particularly disaption remains in committee.

Although Romania has been comparatively liberal in allowing Jews and ethnic Germans to leave, Mr. Whitehead said that since Oct.

Mr. Whitehead said that since Oct.

Mr. Whitehead said that since Oct.

shipping sources said.
It was Tehran's fourth attack in the Gulf in five days, raising ten-sion among shippers following a luli in raids in January.

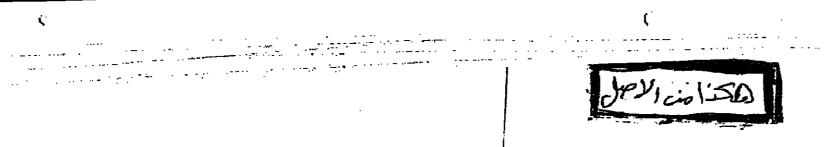
The shots hit the engine room

whole range of other things in the human rights area that are repug-Diane. The ship was four miles (six kilometers) off the United Arab Emirates port of Mina Sagr at the

the past, based mainly on Montania's willingness to pursue a foreign policy independent of the Soviet Union. Romania did not break diplomatic relations with Israel in 1967 and it refused to participate in the attack. The crew put out the fire and the ship continued out. the Soviet-led invasion of Czecho of the Gulf without assistance.

ovakia in 1968.

Mr. Whitehead said in his statefired warning shots near a ship that ment that common views contin-ued to exist "on a large number of stopped for questioning about its.



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Institute of the panel, and to the Mr. Waldheim.

Institute of Historians has particularly warring activities and the cellor Franz V ramitely that a laddheim's warring activities and the comments did not content to the comments did not content to the content to

Over England

Back in Lebanon

ations Relief and Works Agrae

halt its operations in part its workers near the southern of

y. 44. of Sweden, and William y. The victims were among to ency in Lebanon, which provide one than 2,000 Palesimians als

the agency said, "we will lare!

operations in the Sidon are a amost be guaranteed freedom d are humanitarian task.

Larcos Daughter

Imee Marcos Manotoc

ded Saturday 18 seconds air

n the nuclear submarine 🛣

al. Florida, the U.S. Navy nor

its of Bangladesh and India rts. The deaths and most at ern Bangladesh, the governe

IPDATE

on Strike Backle on at English Channel puts British ferry seamen called d

obeyed an order from them at reduce a backlog of hundre lais. France, the main fan a

apacity following a vote by if a local dispute over threatest

je state-run airline has caleit

demand. Union sources ould be severely affected the gin service between Australia: ibourne and Sydney, with a saf at 6 P.M. on Wednesdays, fin

Sydney via Los Angels wilds jursdays and Saurdays Te-American Airlines plans (

Il be closed or services current pendencies this week house

Iranians H

U.S.-Owned

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Iranian gunboats rib

American-owned tanks less
hine-pun fine Sunday in less

chine gun fire Sunday in less ern Gulf, three hours after st an frigate fired warning s across the bow of stothers shreening course caid.

ria, Vatican City.

For Both Parties in Iowa Vote, ments Emerge investigating Kurt Walders in found documents that we president by backing crider Social Security Is a Main Issue

By Paul Taylor

president are exist, communics to both parties associd in on specific. Mr. Gephardt, who had said in a

The most popular issue has been Social Security, the most durable issue in Senate, House and presidential campaigns throughout the

documents did not mane la cwas involved in war cimes he ad in the West German magnes purports to be a 1942 recomportation of more than 440. On the Republican side, Remo-sentative Jack F. Kemp of New York has been using television ad-vertisements, direct mail and strong specthes to access his prin-tical visits of republication to producon Anthority ordered an image, the Airway's TriStar and a bales cipal rivals of wasting to under-pine the system, raise its payroll taxes or cap its beautits. gland.
L. came near to colliding with the Saturday toward Heathers at ithin 300 meters of cack object up and to the right to her

His targets, in turn, charge him with distorting their positions and "fear-mongering" the issue in a way that they typically associate with Democratic campaigns.

"I'm straid Remp has 'Claude Pepperized' the debate," said Dennis Rochford, Iowa campaign manager for former Delaware governor Pierre S. du Pont 4th, referring to the 87-year-old Florida congressman who champions the elderly. On the Democratic side, Senator

Paul Simon of Illinois released a radio commercial in which he lashed Representative Richard A. Gephardt of Missouri for having "led the light in 1985 to wipe ou cost-of-living increases for Social Security recipients."

embargo that was unpopular in make a case it cost the Republicans lows, for weapons systems such as the Senate in 1986." Washington Past Service: lown, for weapons systems such as DES MOINES, lown — in the the B-1 bomber and MX missile, few days before the first votes for and for the Reagan administration a 1981 tax cats.

insecs that they think can change speech last week that any politician minds and ballots. who "touched" Social Security would be violating "a sacred trust," assponded through campaign staff that Mr. Simon supported a similar proposal in 1985 to cap Social Secatrity cost-of-living-ac part of broader deficit-reduction

> One surprise of the 1988 campaign is the way such spats have been insignated into each party's internal debates at a time when there is no short-term peril to the financial security of the system.

Early in this decade, when the system was in financial trouble, Social Security was often the subject of cross-party sparring, with Democrats accusing Republicans of not wanting to save it.

In 1983, a bipartisan rescue package put the system on solid ground for the near term. But Democratic congressional candidates found in 1984 and 1986 that, by citing an opponent's vote in favor of benefit reduction or cost-of-liv-

"I don't think there has been another issue that has affected more races in this decade than Social Security," said Lee Atwater,

One reason that such tactical thrusts are part of presidential campaign politics for the first time is demographic,

lowa is among the top three states in its percentage of elderly residents. According to estimates from both parties, more than half of the people attending past lowa caucuses were at least 50 years old.

this year after an intensive, \$700,000 effort by the American Association of Retired Persons to get its 300,000 Iowa members to vote in the cancuses Monday night. The effort includes \$400,000 of

That percentage could increase

television ads — about equal to what the best-funded campaigns here are spending — 125,000 phone calls and 600,000 letters in the past month. No other issue group is doing as much.

The association has chosen to concentrate on long-term health care for the elderly, which has not become what politicians call a "voting issue," largely because all of the candidates agree that more needs to be done.

Other prominent issues in past presidential contests - gun control, abortion and arms control ing cap, they could enhance their are almost nonissues this year. On abortion, for example, all Republicans are basically "pro-life," while all Democrats are basically "pro-

Foreign-policy fights that have The commercial also cited Mr. campaign manager for Vice Presi-Gephardt's votes for a 1980 grain dent George Bush. "You could nation fights are nonexistent. dominated other Republican nomi-



Governor Evan Mecham testifying before the Arizona House.

Arizona House Impeaches Governor in a Loan Case

PHOENIX, Arizona - The Arizona House of Representatives has impeached Governor Evan Mecham for "high crimes, misdemeanors and malfeasance in office."

The resolution of impeachment, which is tantamount to indict-ment, was adopted Friday on a 46-14 vote, sending the case to the Mr. Mecham is accused of trying to conceal a \$350,000 campaign

loan, of borrowing \$80,000 in state funds for his automobile dealership and of trying to thwart investigation of allegations that a state official made a death threat against a former aide who testified before a grand jury about the loan. He has denied all the charges. Under the state constitution, Mr. Mecham, 63, a Republican, must yield the governor's office to Secretary of State Rose Mofford, a Democrat, who will be acting governor pending the Senate action. If Mr. Mecham is convicted, she will become governor.

Testifying earlier Friday at hearings by a House select committee. the governor asserted that the proceedings were a vendetta by his political enemies and the news media. "I'm going to be able to go on and acquit myself," he said.

Last-Minute Caucus Problem: Time to Vote, But for Whom?

By David S. Broder

Washington Past Service
DES MOINES, Iowa — Timothy McCarthy, an attorney, said he will declare himself uncommitted at the Iowa Democratic cancuses

Monday night, hoping to send a signal to Governor Mario M. bomo of New York to enter the U.S. presidential campaign. Dean Payton, a banker, said he was leaning toward former Gover-nor Bruce Babbitt of Arizona, who

trails in the public opinion surveys. Mr. Payton said, however, that he might vote for Senator Paul Simon of Illinois simply because he thinks it important that the Iowa caucuses "send a strong signal for someone." Carla Stephan, a homemaker, could not make up her mind be-tween Vice President George Bush

and Senator Bob Dole of Kansas in the Republican caucuses because "they're both guilty of indulging their little grudges." "I just don't know yet which is

more guilty," she said. Herman Lihs, 80, a retiree, said he was "pretty much decided" on Mr. Bush. But he said his atten-

dance at the caucus in Wapello depended on the weather. These are four of four dozen undecided voters interviewed last week by The Washington Post, a small fraction of the thousands of uncommitted voters whose final judgment clouds the prospects in both parties and makes the public

opinion surveys in Iowa so chancy.

It is not unusual for many cau-

home or office building where their "I even thought about switching neighborhood caucus is held, or to and going to the Democratic cauchange their minds during the cus," she said. "I like some things course of the evening as the discussion and decision-making goes on.

"Uncommitted" won the Democratic race over Jimmy Carter and five others in Iowa in 1976. This year, unlike 12 years ago, there is no organized effort on either side to elect uncommitted delegates to the next rounds of county and district conventions. But campaigns still find scores of genuinely undecided voters in telephone canvassing ev-

ery evening. The voters who are considered likely to attend the caucuses Monday and who remain uncommitted have been bombarded by mailings and phone calls from rival campaigns. Unlike undecided voters at the end of the general-election campaign, who often are the least interested and least informed citizens, the uncommitted caucus-go-ers may suffer from an overload of information that makes choice

even harder. Joan Clark, 61, a retired Des Moines compensation administra-tor, said, "I read the paper cover to cover every day and all the material that comes in the mail. And I'm just not very happy with the choices."

A registered Republican but a self-described political indepenthese Republican candidates are dates on their minds.

moment they reach the church, saying Ollie North is a great hero." home or office building where their "I even thought about switching about almost all of the Democrats. but I'm just not absolutely sure. It's not usually this hard for me to

make up my mind." Katie Schneider, 64, is finding it so hard to decide between Mr. Bush and Mr. Dole that she has decided to call the lawyer who sponsored her as an immigrant from Germany 30 years ago and ask his advice.

"Bush is not straight," she said. "I don't trust him too much. But Dole, he's too much a politician, too. It's important we do what's right, but it's really hard to know." Several undecided Republicans expressed sentiments like those of Marvin Slagg of Humeston, who said he had supported Mr. Bush in 1980 and was leaning in that direction until the question of the vice president's role in the Iran-contra affair came to the fore.

The interviews suggested that Mr. Bush and Mr. Dole have made it harder for undecided voters to embrace either of them with their sharp personal exchanges in recent days. Mrs. Stephan warned, "How they act the rest of the way will decide how I vote."

On the Democratic side, where most candidates are less well dent, she said she was "really disap-known, the number of undecideds pointed" as she watched the Iran-is even greater. It was far from rare contra hearings on television last to find people going into the last summer, "and can't believe all weekend who still had three candi-

What the Majority in Iowa Will Do Monday: Something Else

By Maureen Dowd

New York Times Service

DES MOINES, Iowa - There are many here who refer to this week as "the end of the world." The candidates will stop talking to animals and will fly East. The reporters will stop caring that Iowa is the Jell-O eating capital of the country, and will stop buying products of the political townst industry, such as "Ski lows" T-shirts and "Weakend in Des Moines"

linzerie. But there are many more lowans who are not caught up in the presidential spectacle, who have no intention of attenting the cancuses, and who cannot wait until the bellooms and bombast and microphones go away.

"I'm so sick and tired of the great, galloping horde of candidates criss-crossing the state and burrowing into every nook and cranny, every home," said Berty Dumbaugh of Storm Lake.

"Every time you turn around you crash into one of them," she said. They're so intense, they're so serious about everything. Enough, enough! I'm so glad that D-day is almost here."

Ms. Dumbaugh, a Republican who is leaning toward Vice President George Bush, has ignored all entreaties by mail, telephone and friends to stand up for her candidate at a cancus on Monday night. home and enjoy the peace and quiet." She is not exceptional. Ms. Dumbaugh is part of the

Even this year, when all the hoopla about the cancuses is expected to draw a larger than usual turnout of voters, this critical first contest will still be

decided by a sliver of Iowa residents.

According to the Democratic and Republican parties, 1980 was a record year for voter turnout in the Iowa caucuses, with perhaps 210,000 people taking

If that many vote on Monday, it would still represent only 7 percent of Iowa's population of 2.8 million. Also, that number of caucus participants would be only 13 percent of the 1.6 million registered voters in Iowa, and only 16 percent of the 1.3 million people in the state who voted in the 1984 presidential election. So, while a small number of lowans "decide the fate

worker jokingly put it, the vast majority will be doing other things.
Lydia Carter, 62, of Mason City will be at her ceramics class. "I'm making a village scene now and it's really exciting." said the Republican. "Far more

of the Western world," as one Democratic campaign

rewarding than politics."

Carole Koehler, 40, a Democrat who runs Carole's Beauty Salon out of her home in Webster City, will be yet made up their minds.

"I'm not going," she said. "I'm just going to sit in Las Vegas, gambling on slot machines rather than

"I like to wait until the field narrows down a bit before I get involved," she said.

In Des Moines, where there will be 97 caucuses, other activities are going on as scheduled. The billiard league will convene at the Do Drop Inn.

At the Payless Bingo Parlor at 7 P.M., the same moment that C-Span will begin broadcasting one Des Moines caucus to political aficionados around the country, the "early bird session" will begin. And at Plaza Lanes on the city's West Side, the Principal Mutual Insurance Ladies' Bowling League will

Billie Wade, the league president, said she has had no calls from her 110 bowlers about substitutions. And Melody Thompson, the promotions director at Plaza Lanes, said she was not surprised. "I don't know much about politics, but if I had a choice, I'd go bowling," said Ms. Thompson. "These people have iready paid for their lanes."

Those who are shunning the caucuses offer various reasons. Some do not like the idea of revealing their political preference outside the privacy of a voting booth. Some do not understand the complex lowa system. And some are embarrassed that they have not

"It would be kind of fun to go if I knew which one I favored, but I don't - it's awful isn't it?" said Beulah Santage, 77, a Republican from Royal. "I think I like one certain one, and then I listen to Tom Brokaw and I get all mixed up again." Mr. Brokaw is the NBC news

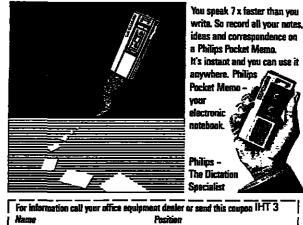
And many simply feel, as Mr. Koehler put it, that we are bombarded here in Iowa way too early." Lois McLeod, 57, a Democrat of Marshalltown said she decided a week ago that "I had had this circus up to my ears." So she decided not to vote for any candidate who has been pictured talking to hogs or wearing a farmer's cap or donning overalls or sitting at the counter of a small coffee shop talking about

"My lousy attitude about politics doesn't make me any points here," she said. "But I think this rush of campaign innuendos and investigations and fights is degrading to all the candidates."
"When all this clears away, everyone will feel silly,"

she concluded. "Why don't you all, bless your hearts. go home and go on with your lives?"

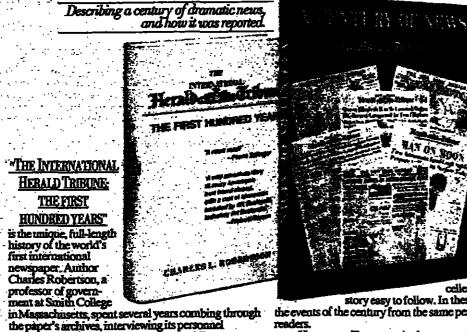
Richard Wilker, 55, a physician from Creston who will be working at a medical clinic on Monday night, looks at all the political tugs-of-war and feels weary. "I'd rather do battle to dissuade someone from smoking than to dissuade someone from getting on some candidate's bandwagon," he said.

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Here you will meet again the personalities of the age, from Jack the Ripper and Queen Victoria to Buffalo Bill, Winston Churchill and Marilyn Monroe. And you will see again how the great dramas of the day were presented: the sinking of the Trianic, Lindbergh's flight, man's first steps on the moon, the Begin-Sadat summits.

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(both active and retired) and then assembling a vast range of materials into a history that reads like biography—the life story of a venerable but still rapidly

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By David B. Ottaway

Washington Post Service

Union has been signing scores of

local economic agreements with the

towns, districts and provinces of

Afghanistan, causing U.S. analysts

to wonder whether the Soviets are

preparing to withdraw their troops

or are instead planning tighter con-

"There is still considerable dis-

agreement about their intentions

By Barry James

International Herald Tribune

trol of Afghanistan.

ish use of chemicals.

strains and crop strains in future.'

By Joseph Fitchett

MUNICH - In a major step

toward trans-Atlantic cooperation

in developing new weapons jointly, the United States has decided to

sell some of its most advanced ra-

dar technology to France and pos-

sibly other allies for use in planned

new European fighter aircraft, a

signed next month, involves a joint

poration in the Rafale jet being

built by Avions Marcel Dassault-

approach to handling the U.S. se-

curity restrictions that have ham-

pered technology transfer to allies,

it signals a possible breakthrough to a series of similar joint Western

"In reconciling security concerns

and the needs for Western efficien-

cy, we may have the makings of a

share some elementary "stealth"

Demonstrating a new Pentagon

Breguet Aviation.

weapons deals.

in an interview.

the Pentagon.

Pentagon official said Sunday.

tional Herald Tribune

WASHINGTON - The Soviet

Elie D. Krakowski, director of that Soviet military deliveries to the as the administration debates how the Office of Regional Defense at Afghan Army last year were even to respond to Soviet pressure and comply with a possible legal commitment under a UN-sponever, generally appear more in- sored peace agreement -- to cut off clined to believe the Soviet hints all U.S. military assistance to the that they will withdraw. But even Afghan resistance in return for a here there is division. One source withdrawal of Soviet troops.

noted that the indications so far are Congressional supporters of the still "all rhetorical statements," but Afghan rebels, particularly Repubadded: "The Soviets have gone too lican conservatives, are worried far now in their statements to rethat the Reagan administration will treat. A lot of people would be "sell out" the resistance before a furious with them if they back out." Soviet withdrawal is assured.

> Under the UN-sponsored peace accords being negotiated in Gene-va, the United States would be committed to ending its military assistance 60 days after an agreement is signed and as a Soviet withdrawai starts.

But Secretary of State George P. Shultz said at a news conference Jan. 7 that the United States intends to wait, to assure that there is "a certain inevitability" and "no turning back" in the Soviet pullout, before U.S. aid to the Afghan resistance ends.

U.S. analysts are scrutinizing the economic and technical agreements that the Soviets are signing with the various towns, districts and prov-inces of Afghanistan. The accords involve Soviet material aid and technical assistance as well as training for Afghans in the Soviet Union.

Soviet officials have told the United States that these town-totown and province-to-province agreements are a means devised to bypass "the corruption" and "bu-reaucracy" of the Afghan central government and deliver aid to the

But some U.S. officials believe the accords are part of a larger Soviet plan to lay the groundwork for extensive Soviet control of Afghanistan, and possibly the de-facto annexation of the northern provcome distorted by rewarding the inces, whether or not they withdraw troops.

Other officials believe that the yon've got and the more fertile your fact of the Soviets signing the agreements in such numbers and haste is evidence that they are pre-. paring to withdraw their troops.

that somehow, obviously, Bush is more closely tied to that than any "Some think it's the Soviets tryof the rest of us." ing to exercise a different kind of Mr. Dukakis, questioned about luence," a U.S. analyst said. Central America on the same NBC "The Soviets are looking at the post-withdrawal period and turning their direct control into a more indirect one where Soviet economic

program, cited treaties banning interference in the internal affairs of other nations in the region. Pressed as to the conditions ur links are so strong they still keep der which he would tolerate a Soviet client state in Central America, he said, "If they introduced offen-

sive military weapons, then of course we would take action and we have every right to do so." The choices Iowans make will on Monday night will cripple several shire primary eight days later.

On the Republican side, Mr. days, Mr. Bush's campaign has lev-eled accusations and insults at the The

Monday night will cripple several follows: Mr. Gephardt, 25 percent; candidacies, lift others to national Mr. Simon, 19 percent; Mr. Duka-prominence and set fresh expecta-kis, 15 percent; Bruce Babbitt, a

tions for voting in the New Hamp- former governor of Arizona, and the Reverend Jesse L. Jackson, 9 percent each; Gary Hart, a former Dole was battling to hold a lead in senator from Colorado, 7 percent; the face of a fierce counterattack by Senator Albert Gore Jr. of Tennes-Mr. Bush. Over the last several see, I percent, and undecided, 15

The Republican results were:

Angry students raise their fists at Sicelo Godfrey Dhlomo's funeral in Soweto. Police Break Up Funeral in South Africa the black township since a national state of emergency was declared June 1986. Armed police officers and soldiers in armored vehicles, backed by police helicopters and military spotter planes, mounted a six-hour operation to restrict access to the church. Security forces surrounded the building and frequently entered it, at

one point attempting to arrest a black student standing by Mr. Dhlomo's coffin, in full view of the U.S. consul-general, Peter R. Chaveas, and about a dozen diplomatic representatives. When the policemen tried to grab the youth, mourners gathered around him, and the Reverend Stephen Mhanda, who was conducting the service. intervened. The policemen then left the church.

These divided assessments come there," a U.S. official said of the preparing to leave, and they note Ecologists Assail EC Agricultural Policy

PARIS - Is the Common Agricultural Policy harming Europe's food. Soil loses its fertility and eroenvironment as well as emptying its sion is a common problem. "On the whole I'm on the side of Some ecologists say the policy, the World Wildlife Fund," said Michael Tracy, a former agricultural economist with the European

which consumes two-thirds of the European Community's annual budget of \$20 billion, seriously en-Council who farms near Brussels. dangers wildlife and natural habi-"I'm personally convinced by the tats by encouraging intensive farmevidence about serious water polluing and by radically altering traditional landscapes. As ancient fields are turned into Yet it is a safe bet, environmer-

cereal-growing prairies, familiar views change into what Mrs. Tatalists say, that when EC leaders meet in Brussels this week to seek a schner called a typical "CAP landsolution to the policy's runaway scape." In England, 4,000 miles (6,400 kilometers) of hedgerows, costs, the problem of protecting natural wildlife habitats will be low on their agenda. to Roman field patterns, are being pulled out every year. "We've got "When proposals are made about the environment, the only thing they care about is that they

should not cost anything," com-plained Karola Taschner, scientific vid Conder, assistant secretary of the Council for the Protection of adviser to the European Environ-Rural England. mental Bureau in Brussels. Because the farmer gets a high A new report by the World Wildguaranteed price for his crop," Mr. life Fund, which spends \$2.3 mil-Conder said, "there is a huge preslion a year to fight the environmensure on him to bring every last little

tal impact of the Common scrap of land into the most inten-Agricultural Policy, says the policy sive production that he can.' results in loss of plant life and wild-But Dionysius Dessylas, a Greek life species because of the draining agricultural official with the Euro- For example, abandoned land covof marshes, the elimination of pean Commission, the EC's execugrasslands and woods and the lavtive body, said that "90 percent of the CAP goes hand in hand with

protecting the environment."

The policy operates by transfer-Is the loss any more than sentimental? "Yes," said Adam Markham, projects officer of the fund in ring receipts from value added tax-Gland, Switzerland, because "we es to farmers in the form of direct grants, guaranteed prices and interare looking at many of these wildvention purchases of goods in overlife species as natural sources to supply. This has unleashed virtualprovide many of our drugs, food ly uncontrollable surpluses of some pect to see developmental pres-The fund's report says pesticides, products, which have to be stored fertilizers and livestock manure at great expense or sold at a loss developers are using the argument

Mr. Kloske said that similar ar-

fered to Britain and West Germany

for a comparable U.S. radar, the

APG-65, built by Hughes Aircraft

Co. Both are in the consortium.

"Without some U.S. technology,

this next generation of European planes will be ineffective against Soviet air defenses and valueless to

Without U.S. technology, Penta-

NATO," a U.S. specialist said.

The first deal, probably to be along with Spain and Italy, that is igned next month, involves a joint building the European Fighter Air-

radar to be built by Texas Instru-craft, which is planned as a succes-

ments Inc., the U.S. company, and
Thomson SA of France for incor-

leach into water tables, rivers and outside the EC because world food that if they are allowed to build on coastal seas, creating a threat to the environment and to human health one proposal before EC governbecause of nitrates in water and ments is that farmers should be

debate within the Reagan adminis-

tration over whether the Soviets

intend to withdraw their 115,000 to

120,000 troops stationed in Af-

U.S. intelligence analysts are di-

vided. Many Defense Department

and Central Intelligence Agency analysts remain skeptical about a withdrawal, citing continuing Sovi-et military construction and hard-

ening of their defenses as evidence

that Soviet forces are digging in

deeper rather than preparing to go

encouraged with cash grants to "set aside" at least one-lifth of their land for nonagricultural use as a means of reducing surpluses.

Mr. Tracy said he opposes the

U.S. Still Uncertain About Soviet Afghan Pullout

pressed his view that the Soviets are

have no intention of leaving. In a Dec. 15 speech to the Heritage

Foundation, he accused the Soviets

of angling for a cutoff of U.S. aid to

Other Pentagon officials empha-

size that there is no tangible evi-

dence on the ground in Afghani-

stan that the Soviet forces are

the Afghan resistance.

engaged in "a game of mirrors" and

the Pentagon, has publicly ex- greater than in 1986.

proposal because it has not worked difficult to supervise and it probably would not reduce surpluses much, as farmers would compensate by intensifying production on the land that is not set aside. "A lot of people think that what should be encouraged is low-input,

low-output kind of agriculture," said David Baldock, an economist some of which can be traced back with the Institute for European Environmental Policy in London. This means putting on less fer-

areas now that are reminiscent of tilizer and getting out less food," he Kansas or the Ukraine," said Dassaid, "rather than taking huge hunks of land out of production, which could result in large areas becoming abandoned." This is the view of the European

Environmental Bureau, which represents about 80 environmental groups in the EC countries. If the land set aside is merely left to itself, that would be of no help to the environment," Mrs. Taschner said. ered with brush could increase the risk of forest fires.
"We are likely to see an see an

intensification of production on the land that is not set aside," Mr. Conder said, "and on the land that is, we will see dereliction or perhaps even worse, conifer forestation, which environmentalists are not very happy about. We also exsures. Already in Britain, property

processors made of gallium arse-

increasingly replacing silicon in

military computer chips. This tech-

nology does not yet exist in Europe.

erally, Mr. Kloske said, the United

States hopes to overcome the grow-

weapons procurement partner.

Many U.S. officials are hoping

By sharing technology more lib-

U.S. Ready to Sell France a Secret Radar

For the deal to go forward, the fense industries will tie up scientwo governments must sign agreetists re-inventing military

ments on rules to protect the ra- electronics that exist in the United

dar's secrets and governing any ex- States. The two radars, for exam-

rangements probably would be of nide, the material that is

gon officials said, European de- produce the Rafale and the Euro- alone.

ports of planes with the new radar. ple, use advanced chip-sized micro-

agricultural land they will be helping the food surplus problem."
The World Wildlife Fund also is

State Department analysts, how-

concerned about the potential impact of new "Integrated Mediterranean Programs," which have been created to channel \$7 billion to rural parts of Greece, Italy and France to compensate for losses in the United States, it would be they will suffer as a result of the entry of Spain and Portugal into the EC. The fund fears this could lead to an extension of intensive farming methods and change the face of countryside that has remained unaltered since antiquity.

> Dolf Logemann, of the Foundauon for Nature and the Environment in the Dutch city of Utrecht, said the programs are meant to stem a population exodus that "leads to a diminishing of the agricultural expertise which is needed to keep up the landscape."

This also was a reason for setting grass roots. up the policy. Even so, jobs in agri-culture in Europe are disappearing at the rate of one a minute, according to a European Parliament re-

Critics say the system has bebiggest farmers most. "Ironically," said Mr. Conder, "the more land

"We quite accept the argument that if you cut off money for the countryside, thousands and tens of thousand and even hundreds of thousands of farmers will leave." he said. "But the fact is they are leaving now in their droves with the present system, and that's because it favors capitalization and mecha-

planes, the F-16 and F-18.

Both services are discussing joint

development, including research,

McDonnell Douglas Corp., mak-

and other European nations.

ISRAEL: 3 Arabs Killed

pean Fighter Aircraft for \$50 million apiece and consider joint pro-(Continued from Page 1) duction of two advanced U.S. ing village of Arub and were heading toward Beit Umar.

Dozens of residents, urged on by The advanced versions of these an alarm broadcast on the loudplanes are being ordered by the speaker of the local mosque. U.S. Air Force and U.S. Navy. blocked the road into town and threw stones and bottles at soldiers there, the army said. with their counterparts in France Reinforcements arrived and

tried to push the mob back with ing mood in Europe that it must er of the F-18, claims that it can the crowd surged again toward the main Jerusalem-Hebron highway, sustain and subsidize its own de-nearly match the Rafale or the fense industry because the United EFA, at a cost of \$25 million the troops opened fire. The army put the total of wound-

States has become an unreliable apiece. U.S. officials say that these planes, if jointly designed and built ed at six from all incidents Sunday, by trans-Atlantic consortia, would but doctors at Makassed Hospital that European governments, seeing win more export orders and create signs of a new flexibility by the more work than any aircraft built in East Jerusalem said they alone had received 12 gunshot wound Americans, will reconsider plans to by U.S. or European companies victims Sunday, seven of them from Beit Umar, and 11 persons suffering from severe beatings.

The worst beating victim was Rami Aking, 15, who died shortly after arrival Sunday afternoon from head wounds he had suffered Saturday at the Deir el Balah refugee camp in Gaza. The boy's father told doctors his son had been struck by soldiers after fleeing from a group of them in panic.

An army spokesman attributed the death to "totally medical causes," noted the body had no other signs of injuries and denied the boy had been beaten. But Dr. Rustam Nammari and Dr. Hani Abdeen said the boy's injuries were consistent with being clubbed.

The army also reported that a 10year-old boy died of wounds he sustained Tuesday.

Makassed Hospital was chaotic Sunday, as ambulances and private vehicles poured in with victims from villages around the West Bank and relatives filled the halls. Staffers calling for blood donors struggled to be heard over the moans and crying of victims and family members.

■ Newsweek Files Protest Newsweek magazine complained Sunday to the Israeli Army after one of its photographers said a lieu-tenant colonel aimed a loaded gun at his head and threatened to shoot according to the bureau chief, Milan Kubic, Reuters reported from

the interview that he now rejects that approach: "Today unity can-An army spokeswoman denied receiving any official complaint over the incident but said it was being looked into anyway. Newsweek said the incident occurred in tance politically since Mikhail S. Gorbachev came to power. the West Bank village of Halhoul.

was running second to Mr. Dole. "We're fighting from behind," he said. "We're trying to come back." Among the seven Democratic candidates, all of whom are competing in Iowa except Senator Al-

Speaking to supporters in Dav-

enport, Mr. Bush conceded that he

JOHANNESBURG - Hundreds of police offi-

cers and South African soldiers have used tear gas

to disperse mourners and marching students at the

funeral of a black youth leader.

The attacks occurred at the funeral of Sicelo

Godfrey Dhlomo, 18, an anti-spartheid campaigner who was found shot to death Jan. 24 shortly

after being questioned by the police. In December,

Mr. Dhlomo's detailed account of maltreatment in

police detention was featured in a U.S. television

The funeral, held Saturday at Regina Mundi

Roman Catholic Church in Soweto, was one of the

most emotional and politically charged events in

program entitled, "Children of Apartheid."

(Continued from Page 1)

He could not resist, however, a

verbal shot at Mr. Bush on the

Iran-contra affair. "I do think," he said, "there's a feeling out there

said of the fend with Mr. Bush, "As

far as I'm concerned it's over."

bert Gore Jr. of Tennessee, the race was coming down to a three-way contest, with Mr. Gephardt needing a large caucus turnout to convert favorable findings in the surveys into a triumph Monday night. The telephone survey for The Register involved 612 Democratic

voters likely to to attend the precinct cancuses Monday night and 660 Republicans likely to attend. The Democratic results were as

IOWA: Gephardt Gains in Poll and Dole Retains Lead Senate Republican leader in the Mr. Dole 37 percent; Mr. Bush 23 hope of shaking up a contest that percent; Mr. Robertson, 13 percents to be going Mr. Dole's way. cent; Representative Jack F. Kemp of New York, 11 percent; Pierre S. du Pont 4th, a former governor of Delaware, 7 percent; Alexander M. Haig, a former secretary of state, 1 percent, and undecided, 8 percent.

As the Iowa campaign drew to a close, Mr. Gephardt's major chal-lengers, Mr. Simon and Mr. Dukakis, were returning to the defining themes of their candidacies, Mr. Simon emphasized his integrity and reliability, Mr. Dukakis his competence as a manager of economic affairs. Iowa Republicans and Demo

crats will make their choices in meetings in each of the 2,487 precincts. The Republicans will simply cast ballots. The Democratic procedures are far more complicated with a candidate needing at least 15 percent in each precinct to be "viable" and win support in the form of delegates to the county conventions next month.

Supporters of candidates who are not viable can move to other camps. This means that candidates are battling not only for outright support but also to emerge as the second choice of backers of lesser (UPI, NYT, AP)

KOREA: For Trade and Games, Red Is All the Rage

(Continued from Page 1)

trans-Atlantic policy," said Dennis Kloske, a deputy undersecretary for trade and defense cooperation, to the Olympic invitations. Thus, while thousands of South Koreans have participated in rallies To broaden U.S. involvement in condemning Pyongyang for the bombing, others have busily pur-European military contracts, the United States might eventually sued the communist boom. Univertechnology, which makes war-planes harder to detect by radar. The Texas Instruments-Thomson program, involving an "acti- and society in the communist

ve-array" radar planned for use in world. But a U.S. Air Force study connist nations about sports training ucts to the vast Chinese population. cluded that the secret technology methods and daily life. The Minis-12-year period, Mr. Kloske said.

communist nations had responded no overtly political material is in-

Korea and the communist world sities, for instance, are trying to find teachers and books for hither-China, partly to encourage develto prohibited courses on history opment of South Korea's impoverished west coast.

Like business leaders in many

from communist nations as long as volved Indirect trade between South

has been permitted since 1972 but has grown markedly in the past few years. President-elect Roh Tae Woo, during his campaign last au-

the next generation of U.S. military

The nation's government-conother nations, South Koreans have aircraft, had been vetoed twice by
trolled television stations plan to visions of exporting large quantiexchange programs with commu- ties of steel, cars and other prodcould be shared with France over a try of Culture and Information is other raw materials.

12-year period, Mr. Kloske said. lifting a ban on music recordings The trade agreement with Hun-

gary was welcomed as an "epochal breakthrough" by The Korea Her-ald. And officials have said that Seoul may extend development loans to East European nations in the range of \$50 million to \$100 million this year.

Hanoi to Free Prisoners It Deems 'Re-educated' The Associated Press

BANGKOK - Vietnam will free more immates of political "reeducation camps," including members of the South Vietnamese government, during the lunar New Year festival this month, the Vietnam News Agency said Sunday.

PEACE: Arias Urges a Halt to Soviet and Cuban Aid (Continued from Page 1) ments of the peace accord, includ-military aid that is prohibited and

that aid." He said Soviet military aid to the Sandinist government in Managua should also be eliminated, because

proached the Soviet Union or Cuba in an attempt to secure their cooperation on halting military aid to gion. But he indicated that he planned to do so.

He said he hoped peace in Central America would be high on the agenda when President Ronald Reagan meets the Soviet leader, Mikhail S. Gorbachev, in Moscow

secretary of state, George P. Shultz, to open direct talks with the San-

The Costa Rican leader, who was awarded the 1987 Nobel Peace Prize for conceiving the regional

ciliatory and not, as it was, an- more than everyone else." nouncing that the war was going to continue," Mr. Arias said. He declared that Mr. Ortega now

(Continued from Page 1)

ambiguity. But he left no doubt in

The Soviet Union made no move

to help Colonel Gadhafi during the

U.S. air raid and has kept its dis-

not be expressed this way."

ALGERIA: Libyan Pact Is Sought

Salvador and Guatemala to cut ing cease-fires, a general amnesty not humanitarian aid. and moves toward democracy.

One key change by Nicaragua, Mr. Arias said, should be the abolition of control by the Sandinist front's civilian political opponents.

terms of the peace agreement, Mr. Marxist-led insurgencies in the re- Arias said, he will seek to apply "moral, diplomatic, economic and political pressure" on Managua. "Ortega is the first communist

himself to democratizing his country," Mr. Arias said. "If he does not honor his word, he will be isolated later this year. from everybody who gave him sup-Mr. Arias also called on the U.S. port in the past." Mr. Arias refused to specify how

international pressure on Managua could be applied, but he observed that the end of U.S. military aid to the contras was "reversible." If the Sandinists "do not ad-

peace plan, criticized what he vance toward full compliance with viewed as Mr. Ortega's hard-line the accord," he said, "the Demoresponse to the defeat of contra aid. "I think his response to the vote the Republicans, because they are should have been much more con- the ones trusting the Sandinists Asked about a House Democrat-

ic plan to introduce legislation for "nonlethal" aid to the contras, Mr. had "no more excuses" for not Arias said this "would not be a complying fully with the require-violation of the peace accord. It is

But Colonel Bendjedid indicated

indirectly that he feared the Soviets

would take advantage of Colones

Gadhafi's isolation to try to expand

their presence in Libya and change

"The United States is far away

the balance of power in the area.

from the region," he said. "If there are tensions in the area we are the first ones to be affected."

Mr. Arias has consistently argued that military pressure from the contras would not bring about a disarmament is part of our plan." National Liberation Front over the gua. Rather, he said that Mr. Ortemr. Arias said he had not aparmed forces, as demanded by the ga had "used the aggression of the democratic government in Nicaracontras as an excuse for the failure If Nicaragua does not meet the of the Marxist experiment in Nicarasua" and for a lack of progress toward democracy.

Mr. Arias said he believed that Mr. Ortega accepted the peace leader since 1917 who committed plan's terms for establishing democracy with great reluctance, reflecting the suspicions of more truculent Marxists on the Sandinist directorate.

He said he was hopeful that the Sandinists would move more quickly toward a cease-fire with the contras when the two sides meet Wednesday in Guatemala for a second round of direct talks.

If a cease-fire is reached Mr. Arias said, Nicaraguans who have taken refuge in Honduras "will have to choose between staying in Honduras forever and abandoning military activity or returning to Nicaragua under an annesty that should be provided, and gradually incorporating themselves into po-litical life."

He said that "exactly the same thing should happen in El Salva-dor" in the case of Marxist-led rebels who have fought the government for more than eight years.

Nicaragua's actions in response to the peace pact have received greater scrutiny so far, Mr. Arias said, because "other countries have complied much more with the terms of the Guatemala accord."

Now that the "sword of Damocles" has been removed by the vote against further military aid to the contras, he said, Mr. Ortega knows that "the future of peace in Central America lies in his hands."

INTERNATIONAL CLASSIFIED (Continued from Back Page)

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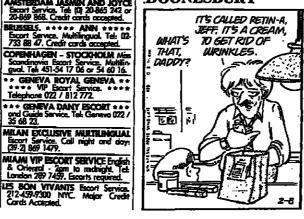
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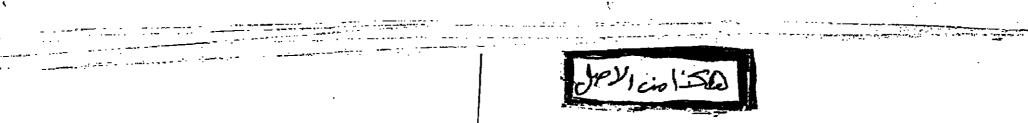
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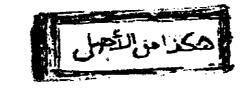
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Military vehicles patrolling in Haiti after a strike was called.

so was conducting the service semen then left the chirch. Haiti Installs Manigat, **Who Promises Reforms**

PORT-AU-PRINCE, Haid -Leslie F. Manigat, 57, took the oath of office as president Sunday, pledging to improve living stan-dards and lead Haiti to democracy after three decades of dictatorship. in a 50-minute inaugural address

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on the steps of the Legislative Pal-ace. Mr. Manigat said Haitians were "tired of being sick, badly housed, illiterate, abused." He added, "This country needs peace, unity, work, liberty, justice."

The people are counting on us to push back totalitarianism and realize a new era of democracy," he said: The ceremony was attended by diplomats from about 30 na-

Mr. Manigat spoke after receiving the red-and-blue presidential sash from Lieutenant General Henri Namphy, president of the at the inauguration ceremony, junta that has ruled Haiti since

As he has done in his public President Jean-Claude Duvalier left the country two years ago Sunday for exile in France. Mr. Duva- cal adversaries to cooperate with lier's departure ended an era of his government.

dictatorship begun in 1957 by his father, François Duvalier. Mr. Manigat, a former university professor who lived in exile during much of the Duvaliers' rule, won a national election Jan. 17, which more prominent political leaders and much of the electorate boycotted because it was organized by the

On Thesday, 10,000 people gathered at an activist Roman Catholic Mr. Manigat. On Saturday, opposition leaders called a one-day national strike that fizzled.

There was little sign of opposi-tion to Mr. Manigat on Sunday, however, though it appeared that no major opposition leaders were As he has done in his public and

In November, an independently organized election was called off after at least 34 would-be voters were killed.

church to show their disapproval of

private statements since the election, Mr. Manigat urged his politi-

By William Branigin Washington Post Service PANAMA CITY — In response government reportedly recalled its available for comment to an indictment by a grand jury in ambassador to Washington and its Miami on charges of drug traffick- representatives to the United Nations and the Organization of American States. The state-run Ra-

ing and racketeering, Panama's military leader, General Manuel Antonio Noriega, has ordered an dio Nacional said the Foreign Min-investigation of his accusers, amid istry summoned the three envoys istry summoned the three envoys Saturday to a meeting in Panama signs of a crackdown on the news City to discuss diplomatic relations with the United States. In a letter published Sanday in The general staff of the Panama

newspapers he controls, General Noriega asked Attorney General sible for the accusations. The general, who effectively

rules Panama as commander of the Panama Defense Forces, asserted in the letter that U.S. Justice Department officials had recklessly eveled (alse charges against him. The demand for an investigation appeared to be aimed at two former close associates of General Nor-

iega: José Blandón, who was Puna-ma's consul general in New York until he was dismissed last month; and Floyd Carlton, formerly General Noriega's personal pilot. Both testified before a federal grand jury in Miami, alleging that the general was involved in money

laundering and drug trafficking in association with a Colombian cocaine ring. Earlier, General Noriega ac-cused the U.S. government of seek-

ing to suppress his political ideas, which he characterized as progressive and nonaligned.

In an impromptu speech to leaders of the pro-Noriega Democratic Revolutionary Party on Friday night, he asserted that U.S. attacks on him stemmed from a desire by Washington to retain control of the Panama Canal and maintain the strategic position of the U.S. military's Southern Command.

Under the 1977 Panama Canal Treaties, the United States agreed to turn over control of the canal to Panama at the end of 1999, at which time responsibility for defending the canal is to pass to the 15.000-member Panama Defense Forces. Washington has denied that it has any intention to renege on the treaties.

In his speech Friday night, the general repeated allegations that, in December 1986, Rear Admiral John M. Poindexter, then head of U.S. National Security Council, de-manded during a visit to Panama that General Noriega turn his country into a beachhead against Nicaragua, withdraw from the Contadora group of Latin American countries seeking a Central American peace agreement and de-

politicize the Panamanian military. General Noriega contended that his troubles with the United States arose from his rejection of these demands. U.S. officials have dewho later resigned.

In another reaction to the grand men for the Foreign Ministry and jury indictment, the Panamanian the military were not immediately

Noriega Orders Inquiry Amid Apparent News Crackdown

Also Sunday, as part of an apparent crackdown on the news media, connected with reports on the indictment, the police took over the offices of an opposition newspaper, El Siglo, which had recently resumed publishing after being closed for six months.

The newspaper was among sevgation to determine who is respon- students from the United States, a banned by the military in a previmilitary communiqué said. Spokes- ous crackdown.

On Friday night, officials from General Noriega's demand for an ing General Noriega, and he no the Ministry of Government and investigation Sunday and chal-longer performs official duties. Justice closed the radio station K.W. Continente after it broadcast a report from Washington about

the indictment against General Noriega. In ordering the closure, Government and Justice Minister Rodolfo Chiari De Leon said that the station's recent broadcasts had incited people to violence and attacked the security of the state.

A lawyer for the radio station, Noriega asked Attorney General Defense Forces has ordered the eral opposition or independent Rogelio Cruz, called the mo Carlos Villalaz to open an investiwithdrawal of at least five military news organizations that were constitutional and arbitrary. Rogelio Cruz, called the move un-Panama's largest opposition newspaper. La Prensa, criticized

lenged him to disprove the charges against him. Vice President Roderick Lor-

respond with proof to accusations Carnival, the annual pre-Lenten

Although he still holds the title late last year after publicly criticiz- after Carnival ends Feb. 17.

few small street demonstrations by Noriega opponents, however, the enzo Esquivel has also called on U.S. indictment has not elicited General Noriega to answer the much public reaction. Panamanicharges, saying that it would be ans have long been aware of the shameful for the government and allegations against General Northe people to have in office military iega, and many people are more and civilian officials who do not preoccupied with preparations for

celebration. Opposition leaders said they did of vice president, Mr. Esquivel was not plan to mount any protest acevicted from his government office tivity against General Noriega until

Contra Morale May Be First Casualty of Aid Vote

By Bernard E. Trainor

New York Times Service WASHINGTON — The rejec-tion by Congress of President Ronald Reagan's plan to aid the Nicahave little immediate effect on their

ability to fight. Western analysts estimate that the rebels have from one to six months' worth of U.S.-supplied arms and other equipment stored in Honduras and in the mountains inside Nicaragua. Ultimately the

of resupply.

In discussions over the last two months, officials and military offi-

ment field commanders say they large forces for attacks in recent men under arms in Nicaragua; Ma-agree that the contras will not fade months contradicts that assertion, nagua puts the number at about away because of a lack of U.S.

support.
The loss of U.S. arms, particularraguan rebels is a psychological ly the shoulder-launched Redeye sands of peasant families from iso-blow for the contras, but it will anti-aircraft missiles now in the lated farms in areas where contras with other sources. The missile has been used effectively against Sandinist helicopters.

But for now it is the contras' morale more than their fighting ability that will suffer as a result of the House of Representatives vote contras must develop other sources cutting off aid.

Guerrilla movements have historically survived reverses and adcers in the United States and Cen-tral America have agreed that the Sandinists say there is no support contras probably are strong enough for the rebels in Nicaragua, but the Nicaragua even with a cutoff of moved undetected through the ous spine of Nicaragua. U.S. aid. Some Nicaraguan govern- mountains and have concentrated

the Sandinists have relocated thouly the shoulder-launched Redeye sands of peasant families from isocontra arsenal, ultimately will hurt are known to be active to sites unthe contras unless they come up der government control. This relo-

NEWS ANALYSIS

cation program has been partly successful in cutting off food and other support for the contras, even though many of the displaced farmers resent being moved.

Despite a vigorous anti-guerrilla campaign by the Sandinists in the versity as long as they have pockets last year, thousands of wellequipped contras have entered Nicaragua from camps in Honduras. They now operate in strength in to carry on their guerrilla war in ease with which the contras have three regions along the mountain-

ing support among the population, supplied by U.S.-sponsored air- in the field has increased. drops, at a rate of more than one

A ready source of supplies for the contras is the Sandinists themselves. Living off the enemy is a traditional guerrilla tactic when external support does not exist. If the contras are to be effective in the months ahead, it is logical that they will increase attacks against isolated garrisons and farm cooperatives

to capture supplies. A year ago, the contras were not strong enough for such a strategy, but when the aid voted by Congress in October 1986 began to reach them, their ability to attack improved dramatically.

But the Sandinists also are better

nonths contradicts that assertion.

nagua puts the number at about hardened and tactically proficient, To prevent the rebels from build8,000. For most of 1987, they were and the number of Sandinist troops

Reagan Says He'll Push For Nonmilitary Aid

WASHINGTON - President Ronald Reagan said Saturday in his weekly radio address that he would work with Congress on a package of nonmilitary aid for the Nicaraguan rebels.

Mr. Reagan criticized the House vote rejecting arms aid, but he said:

"I understand that some in Congress have already begun to develop an alternative assistance plan. I will work with both parties to see to ous spine of Nicaragua.

The contras say they have 14,000 prepared to fight than they were a it that the fact we disagree does not year ago. Their counterinsurgency mean that America cannot act."

U.S. Acts to Allow Patents on New Animal Forms

By Keith Schneider

New York Times Service WASHINGTON - The U.S. Patent and Trademark Office, in a policy that could substantially change how livestock and poultry are sold, has determined that companies holding patents on new animal forms have

Although still in its infancy, the technology of producing new animals is expected to alterations that use chanicals or radiation become a major force in agriculture in the

the authority to require farmers to pay royal-

The royalties would be paid on the sales of patented animals and on generations of their both goats and sheep. offspring, meaning that farmers would have to pay patent holders a fee for adult animals and for generations of calves, colts, lambs, chicks and piglets produced through the 17-

year life of the patent.

Such a system of royalty payments would nied this version of the general's treat new animal forms like mechanical insows that could give birth to 25 piglets, more meeting with Admiral Poindexter, ventions and would be a sharp departure than double the average litter today. from usual practices in which farmers pay

breeders for adult animals or for stud services and then are free to produce offspring without additional payments.

The policy stems from a ruling in April by the Patent Office, a division of the Department of Commerce, to allow companies to patent higher forms of life, including animals, that have been altered through a number of methods.

and fusing embryos of different special species. The last has been used in California to produce geeps, new animals with traits of

The consequences of the royalty policy are far from clear. Although there is disagree-ment, many experts said that they believed royalties would attract more funds for research to realize such startling innovations as splicing genes from mice into pigs to produce

policy on royalties would not take effect gain payments for traits that are hereditary tions were pending.

from different species are being inserted into first generation. farm animals to produce new forms of livestock that scientists predict will have many more marketable traits than livestock raised today, such as the ability to grow twice as big

Some authorities said patents, which give inventors the exclusive right to control their inventions for 17 years, combined with royalty payments, which patent attorneys and ders said could cost hundreds of dollars for each animal, would enable a few major agribusiness companies to gain limited monopolies on the development and dispersal of animals created through genetic manipulation that would be superior to those produced conventionally.

The main economic issue, said opponents Officials at the Patent Office said that the and proponents, is the right of breeders to tional costs of the royalties.

until the first animal patent was granted, and extend through generations. Experts perhaps by next spring. They said 17 applicasaid that U.S. patent laws covering living things have never included animals and nev-In laboratories across the country, genes er required royalty payments beyond the

> "This is a profound right that the government is about to give the private sector," said Jack Doyle, director of the biotechnology project at the Environmental Policy Institute Washington. "We're really stepping onto new ground here."

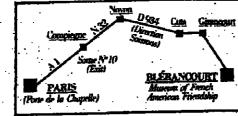
> Experts predicted that individual ranchers, who have normally played an important role in improving livestock by managing their own herds and through breeding associations, would be unable, for the most part, to afford the new technology.

But many scientists say they believe that the improvements will be gradual, that patented livestock will trickle onto the market, and that normal economic forces will come into play and help farmers absorb the addi-



The Château de Blérancourt, a seventeenth century masterpiece by Salomon de Brosse is located 125 km (80 miles) north of Paris near the historic town of Compiègne (see map). The main body of the Château was destroyed during the French Revolution but four exquisite pavilion buildings remain in which the museum is

The Bierancourt museum was founded by Anne Morgan, daughter of the financier J.P. Morgan, who bought the property in 1917 to shelter the wounded and homeless during World War I and sub-



sequently lived there for many years. While at Blérancourt, Anne Morgan collected works of art and documents reflecting the history of Franco-American relations from the American Revolution to the present day. In 1929 she presented Blérancourt and its collections

to the French government many French artists drawn to America for inspiration as well as those American paintand it was given the staus of a French national museum and was officially named the Museum of French-American Friendship.

The exhibits, composed of paint-

ings, sculpture, historical memorabilia and

documents are extremely varied and every-

cally or artistically the close relationship

thing in the museum illustrates either histori-

between France and the United States over the

souvenirs on display are a Ford ambulance used by the American Field Service during World War I and the order for D-Day dated June 6, 1944, signed by General Eisenhower. The museum also illustrates the rich cultural and artistic exchanges between the two countries, with exhibits from the

> ers influenced by France. Led by its dynamic curator Pierre Rosenberg, Blérancourt has exciting plans for development, including the expansion of the museum's art collection through the permanent loan of fifty paintings from the Louvre, the Musée d'Órsay and the Centre Georges Pompidou. This permanent exhibit will be housed in one of the pavilions --renovated and expanded for the purpose. In the surrounding grounds, a botanical mu-

seum has also been created using American

past two centuries. Among the most moving

species. It includes an arboretum of American trees selected for their autumn foliage. The French

government has responded by increasing it subsidy but substantial outside funds will also be needed. A fully taxexempt US foundation

 American Friends of Blérancourt, Inc., has been established and the Florence Gould Foundation has contributed a special matching grant of \$500,000. Other leading foundations as well as leading companies with Franco-American ties also contributed: Dillon Foundation, Disney Foundation, Frederic Henry Prince Foundation, Mona Bismarck Foundation, Seth Sprague Foundation and Air France, Caron, Elegance Inc., France Telecom, I.B.M., Manpower,

Morgan Guaranty Trust Company of New York, National Cash Register France and Salomon

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Herald Tribune.

Back to the Mideast

The urgency generated by the Palestinian riots and the Israeli reaction to them has propelled the United States into a new Middle East mission. Whether it goes beyond improvising a response to appeals to Do Something is unclear. But a moment when many are questioning the decency and durability of the status quo is the time to try. Emissaries have been dispatched to see if something can be gotten under way.

There does not seem to be a "plan," which will set some people to asking whether Washington knows where it is going and others to suspecting that it does. Rather, to get started quickly and, at the same time, to respect the domestic political calendar, the State Department has taken off the shelf some modest ideas representing enough promise of movement, but also enough caution and consensus, to survive the political battering of an election year and to be useful to any next president. Moscow's role evidently is to be addressed in the talks the secretary of state is conducting with his Soviet counterpart to plan the next summit.

The new path skirts the Palestine Liberation Organization, which represents the bulk of the Palestinian people but which the United States keeps at arm's length in deference to Israeli objections to its tactics and goals. U.S. officials seek instead to draw in the elusive but moderate King Hussein and to resume an old game of mirrors on the

West Bank — trying to locate local leaders acceptable to both Israel and the PLO.

The idea is to use the time up to the U.S. and Israeli elections of next November to build the halfway house of Palestinian autonomy contemplated in the Camp David accords, and then to shift to the issue of the occupied territories' final status.

Giving autonomy priority is meant to draw in Israel's ruling Likud Party. Offer-ing an early transition to talks on final status is meant to open a door to Israel's Labor Party and, meanwhile, to give Palestinians the assurance they demand that autonomy is not a dead end.

It is an approach of some cleverness, but cleverness in itself will take American diplomacy nowhere. What is needed is a sure and steady hand and sustained high-level commitment of the sort Henry Kissinger and then President Jimmy Carter showed to be essential and productive. Mr. Reagan, who gives no sign of being ready to apply his own prestige, and a successor not yet chosen are going to have to be very tough This means standing up to Soviets and Arabs to ensure that Israel's legitimate security demands are met and taking the domestic heat from Israel's friends, whose agitation will be the sure sign that American policy is getting serious about respecting Palestinian self-determination, too.

— THE WASHINGTON POST.

Honecker's Sacrifice

At a mid-January march commemorating Rosa Luxemburg, the German commu-nist murdered in 1919, East German police arrested 120 activists. Protesters carried banners quoting her appeal from the Kaiser's prison: "Freedom is real only when there is freedom for those who think differently." Blasphemy, one official called it.

Erich Honecker, the East German leader, may or may not be able to keep new blasphemies for freedom in check by force. Nevertheless, he expelled some of the marchers and imprisoned others. Public protest followed. Prayer services drew as many as 2,000 people. The government then released some opposition leaders and sent others to West Germany against their will. However softened, his overriding goal remains to snuff out dissent.

At least until recent weeks, growing economic links with West Germany had spurred liberalization in this closed society. Under the wing of the Protestant church, young people had begun to press for more attention to human rights and environmental issues. Dissidents, while hounded, phaged on, encouraged in the last two years by Soviet talk of openness.

Even as the East German drama played out, activists in Poland, Hungary, Czechoslovakia and the Soviet Union demonstrated against harsh repression in Romania. And this week, in five East bloc countries, bundreds took to the streets against the new repression in East Germany.

Mr. Honecker contemplates liberalization only within strict limits, something to advertise to foreigners rather than for East Germans to take seriously. But having opened the door to Western travel, he finds those who return more disgrantled than ever. Having at last won invitations to Bonn and Paris, he discovers that his own people heard the fine words on human rights he spoke in foreign capitals.

By greeting "those who think differently" with all too familiar repression, he sacrifices whatever credibility and legitimacy be had managed to win for his regime.

-THE NEW YORK TIMES.

A Few Details in Iowa

the lowa precinct caucuses, when any little thing can make the difference, the candidates' campaign consultants have tried to to supply the candidates with everything they need. In the case of Michael Dukakis, they are trying to add "passion." Samplings of caucus-goer opinion have convinced them that Mr. Dukakis, touted as the manager of the "Massachusetts miracle." is seen as too cerebral and calculating. So media adviser Dukakis speeches (who says these people don't earn their money?), culled the most emotional lines and recorded them as voiceover to pictures of dead Nicaraguans and homeless Americans. Mr. Dukakis has followed up on the stump by passionately saying, "Not one dollar of contra aid. Not one. Not one!" — without adding what used to be his first, rather cerebral objection: that it violates the Rio Treaty.

If Mr. Dukakis has had a passion implant, Richard Gephardt has had an eyebrow enhancement. His problem is that his reddishblond eyebrows, only slightly graying as he turns 47, show up hardly at all under television lights, making him look too young to be president. So his handlers, before he climbs on the hay wagon in his deep green, downfilled jacket to denounce the establishment for the video camera, apply a bit of eyebrow pencil. While Mr. Dukakis tries to echo Mr. Gephardt's Farm Belt passion, Mr. Gephardt is trying to compete with Mr. Duka-

prise is no surprise at all; and in the stretch run in Iowa, Paul Simon's ads are designed to show that he is just the same aw-shucks guy he used to be. The candidate is shown in cartoons in black and white, with only his trademark bow ties in color, while his deep baritone in voice-over recounts how he got started wearing bow ties in campaigns in 1954 and has worn them ever since. "My bow Ken Swope listened to 10 hours of tapes of tie is kind of my declaration of independence," he says, though the very fact that he talks about his bow ties so much proves his dependence on them, among the many other things it suggests about his campaign.
In Bruce Babbitt's case, the symbolic dra-

politics. Of course, sometimes the best sur-

ma comes not from the candidate but from the audience. "I've now got to the point," says Mr. Babbitt, "where I can get my audiences to stand up quite predictably. But it took some work." The first time he tried it in New York, "I walked out to the edge of the stage and said to the audience. If you agree with me will you join me and stand up? And nothing happened." Mr. Babbitt, like other candidates, was looking for a gimmick for voters to remember him by, and came upon the idea of asking them to stand if they agreed with him that Americans need tax increases and spending outs to get their fiscal house in order. That it's a little hokey even the candidate concedes. But, unlike the talk of eyebrows, neckwear and the perception of passion, at least it's about something.

- THE WASHINGTON POST.

Other Comment

In Search of Latin Peace

Now that the House of Representatives has killed President Reagan's last hopes of official aid to the Nicaraguan contras, the real debate in the United States on the future of Central America should begin.

It is not just a region in which the United States has an understandable strategic interest, it is a group of countries most of whose inhabitants have to put up with uncivilized governments. The peace plan for which President Oscar Arias of Costa Rica last year won the Nobel Prize was a blueprint for the civilizing of those regimes and for the introduction of effective democracy to the region. That plan, battered and scarred as it may be, is still supported by the United States, the Organization of Americans States, the most important states of Latin America and the European Commu-

nity; it should be preserved.

At the end of this month, in Hamburg, [European Economic] Community foreign ministers will be meeting their Central American counterparts. They will have the

opportunity of delivering them a strong message. That message should be that the Enropeans, important trade partners for the Central Americans, want to see progress toward civilized politics not just in Nicaragua and Costa Rica but also in Guatemala, Honduras and El Salvador, which lamentably continue to be bywords for barbarity.

- The Observer (London).

Where Is the Old Idealism?

From without, Israel's refusal to talk is beginning to alienate even its key supporter, American Jewry, which provides its own financial support as well as persuading American leaders to stand by its closest Middle Eastern ally. The old idealism of the European-born Jews who are now playing second fiddle to Middle Eastern-born Jews should reassert itself. Otherwise Israel is in danger of merging into the regional landscape and undermining those qualities of tolerance and democracy so long admired.

- The Daily Telegraph (London).

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An Iron-Fisted Future Confronts the Israelis

By Abraham Rabinovich

ians win a state of their own, one of the first statues that deserves to be erected in their central square is of Khaled Akra, the young fighter who crossed the Israeli border from Lebanon on the night of Nov. 25 on a hang glider and attacked an army camp near the town of Kiryat Shemona.

It seems clear to many observers in

The crowds of Palestinian youths who began to assault Israeli troops with rocks and clubs — and the individual youths who attempted to snatch guns from the hands of soldiers or to stab them - had lost fear. When forced to fall back under gunfire, the youths taunted the Israeli troops with a chant that the soldiers failed at first to understand: "Kirvat

The reaction of the Israeli forces in suppressing the riots has evoked outrage even among Israel's friends abroad, including leaders of Jewish communities. But most Israelis — including moderates - support the army's tactics. The reason is that unless the situation can be controlled, there may begin an unraveling of restraints that could sweep Israel up in a vortex of violence beyond anything

it has yet experienced.

Defense Minister Yitzhak Rabin

Societies are normally held together by a mixture of consensus and fear, but in the Gaza Strip and West Bank it had only been fear. Now the fear is gone, at least among that half of the population born since the Six Day War in 1967. Young men bared their chests at the soldiers and dared them to shoot. If the unrest continued to gather momentum, it could well sweep up the adult Palestinians who have thus far not participated.

Israeli Arabs would inevitably become involved, too. This, in fact, began to happen on a small scale, with a few firebombs and stones being thrown at vehicles on some of the

country's main roads.

If Israel pulled out of the territories unilaterally, it could be a dangerous signal to the Arab world that the national will had weakened. For the Israeli authorities, it was thus paramount to come up with measures that would hurt the victory-flushed Palestinians sufficiently to stop the rioting, short of mass killings

Two ways were tried. Curfews clamped on refugee camps for days or weeks has dampened revolution-ary fervor. Residents could not go to work and the economic deprivation began to bite. Confinement indoors except for one or two hours a day to do shopping was also wearisome.

T ERUSALEM - If the Palestinoverdid it. Soon, hundreds of Palestinians required medical treatment. There were numerous excesses, including the beating of men over 70 and boys of 10, before the military command drew clear guidelines limiting the "beat" order to those actively involved in acts of violence. The Israeli population has recoiled

Israel that Mr. Akra's daring attack, in which he killed six Israeli soldiers before himself being slain, fired the imagination of Palestinian youth and touched off the uprising in the Israeli-occupied territories.

Two weeks after the attack, the Gaza Strip exploded following the killing of four local residents by an Israeli truck in a road accident. Other more serious events have occurred over the years in the Gaza Strip with no reaction — even in the previous months when large-scale arrests of aileged terrorists had been made.

Shemona — six to one."

has admitted that the entire defense establishment, including himself, had been at a loss over how to react to the uprising. The instinctive reaction gunfire — soon proved ineffective; the doses used failed to stop the noting even after more than 40 deaths while unrestrained use of gunfire against unarmed teen-agers was unthinkable. The army then tried conventional riot police tactics - tear gas, rubber bullets and arrests - but ese had little impact on the cuphoric demonstrators who sensed they were riding the tide of history.

The second tactic was the use of force against rioters to induce fear. Mr. Rabin's order to the troops to "lay into them" with sticks and fists was intended not to punish but to reestablish the army's deterrent power. It is one thing to bare one's chest at troops reluctant to shoot and another to have one's arm broken. The troops

N EW YORK — Last October, a brush with financial disaster in

the world's stock markets wiped out \$1.7 trillion in equity values, includ-ing \$700 billion in the United States.

Fortunately, this shock did not spread to the currency and fixed-

income markets, as it easily might

have under not too different circum-

stances. And we were able to pull back from the precipice of a potential

It was a warning: We must begin to examine, with some urgency, the rea-sons the scare developed and what we

can do to prevent another that could

have even more serious consequences.

Volatility of securities prices, spec-tacularly in evidence in October, is a

deeply rooted feature of our new fi-

nancial world. Then, the focus was on stock prices, but this volatility has also been a feature of both the bond and currency markets. I believe this price

instability in the financial markets will

persist and, occasionally perhaps, in-tensify, given the new structure and ongoing developments in our domestic and international financial markets.

The wide movements in the values

of securities have not abated but have

actually increased, with daily swings in currencies and securities growing

since late October compared with the

months immediately before.

There are at least five root causes

standing them is critical to our eco-

and innovation, two of the causes,

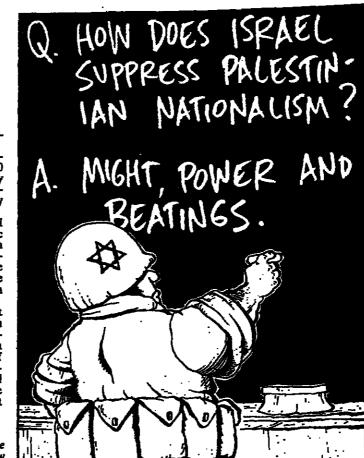
have combined to make money and

credit highly mobile. Many securities

nomic and financial future.

worldwide economic disaster.

OPINION



U.S. Jews Discover the Palestinians

S TANFORD, California — When you see your best friend acting in a way that will rain his life, do you pretend not to see? Do you insist to others that it is really not so bad as it looks? Do you tell yourself that it is

from the excesses but not the basic

strong-arm policy, which is seen as a

deterrent and basic to national secu-

rity. The methods are ugly but none

of the critics has suggested a more

human way of restoring order in a

The question for Israel is not whether it should use such tactics in

order to continue to hold the territo-

ries, but whether it wants to go on

controlling areas where the use of

strong-arm methods becomes inev-

itable. It is this question that Khaled Akra raised when he sailed across the

border on his glider, and it is one that

Mr. Rabinovich, a writer for the

Jerusalem Post, contributed this view

Israel will have to answer,

situation of unarmed rebellion.

his business, not yours? Americans devoted to Israel should be asking such questions as they contemplate what is happening the West Bank and Gaza. For Israel is on a path of mortal danger, to its character and even its existence. Those who remain silent at such a moment are not true friends.

During the 20 years of occupation the Jewish community in the United States has been largely silent about Israel's policy. The explanation given was that Israelis were on the line, and outsiders should not tell them what to do. The theory sounds like a benevolent neutrality, but in practice it has been anything but neutral. In that time U.S. Jewish organiza-

tions have led the way in urging American aid to Israel — without strings, without criticism. Israel is the largest

Q. HOW DOES ISPAEL

A Warning to Heed: The Lessons of Black Monday

By Henry Kaufman

This is the first of two articles.

rivative instruments, the simplest of which are futures and options, have been created and can gamer large rates of return (and also losses)

4. There is the secular underlying trend of the "institutionalization" of savings, which, combined with the increasing "securitization" of mar-

through only moderate price move-

ments. As investigators into the crash

pointed out, some of the new tech-

can exaggerate price trends even though the approach is supposed to

3. The globalization of financial

markets has been a major factor in increased volatility. The U.S. stock market did not collapse in a vacuum

on Oct. 19. Major markets abroad all

fell, some even more than the U.S.

market. The withdrawal of investors

from foreign markets had a negative impact around the world. Similarly,

the foreign bond buyer exerts a pow-

erful influence on the U.S. bond mar-

ket. For example, when Japanese in-stitutions are large buyers in the U.S.

Treasury quarterly financing opera-tions, the bond market strengthens.

When they and other foreigners abroad hesitate, as they have when the financing occurs during a period of U.S. dollar pressure in foreign-

exchange markets, the bond market quickly gives ground. Even when for-eign official institutions buy dollars

to stabilize the price, such action does

intervention does not care the funda-

mental underlying disequilibrium,

and second, market participants may

omic and financial future.

1. and 2. Financial deregulation securities markets: First, the official

today are deemed marketable and sell securities in anticipation of a

readily priced; portfolio performance tighter American monetary policy to

is monitored closely; and many de- ameliorate the imbalance.

limit the risk of the user.

niques, such as portfolio insurance,

kets, will continue to contribute to

big swings in market prices.
Securitization is the vehicle

through which financial assets can move in and out of institutional port-

folios, and the institutionalization of

savings is concentrating portfolio and investment decisions in the

ket, through securitization, has creat-

ed an increasing proportion of sup-posedly marketable credit instruments; on the other hand, the

investment decision rests with large

institutions rather than with a wide

range of participants who may hold diverse market views. As this concen-

tration of investment decision-mak-ing continues through the institution-alization of savings, marketability, in its truest sense, will regress, and vola-

tility will continue to rise until insti-tutions and markets take on new

5. Finally, the prices of securities have become much more a vehicle for

trying to achieve economic stability.

At first blush, this seems incongru-ous: the quest for economic stability

through financial market volatility.

But there are no real financial circuit

breakers today to assist the Federal

forms and structures.

hands of fewer participants. Thus, we have a fundamental anomaly: On the one hand, the mar-

PROMOTE PALESTIN-

IAN NATIONALISM?

By Anthony Lewis

U.S. aid recipient, now getting \$3 billion a year. And it gets generous private contributions from Americans. The effect of all that aid has been to give powerful support, financial and political, to Israeli policy in the

occupied territories: the policy that has amounted to creeping annex-ation. Israeli opponents of the policy were shorn of the argument that friends abroad really disagreed with it. Silence in America helped those in Israel who wanted to go on settling in the West Bank and Gaza, making it harder for Israel ever to leave. In the current crisis many Ameri-can Jews have been troubled, not

putting down Palestinian protests but by the longer-term implications of holding on to the occupied territories. Some have voiced their concerns, among them leaders of important Jewish organizations.

only by immediate Israeli tactics in

But others continue to avert their

eyes. They say, for example, that the U.S. press has been unfair in its portrayal of the Palestinian protests and Israeli response. But Israel's press has been just as blunt in reporting the instances of beating randomly selected Palestinians. Another cause for concern is that

some American Jewish leaders continue to deny the reality of the grievances felt by Palestinians in the West Bank and Gaza. For Jews to lack sympathetic understanding of a people denied control of their own lives seems especially sad.

The current chairman of the Conference of Presidents of Major American Jewish Organizations, Morris B. Abram, issued a statement that spoke of the protests as designed "to terrorize and to undermine the foundations of a democratic society." He said the disturbances were "not just incidents of domestic unrest" but were "nothing less than a new form of warfare against Israel." He said Israel was just trying to "restore normalcy to Gaza and the West Bank." Anyone who wants to know what

"normalcy" meant for the Palestinians under occupation should read two extraordinary articles in the issues of The New Yorker dated Feb. 8 and Feb. 15. They are by an Israeli writer, David Grossman, who spent seven weeks in the West Bank last year, before the uprising. He wrote a book that was a best-seller in Israel; the New Yorker pieces are taken from it, What Mr. Grossman shows is a life

of humiliation for the Palestinians of petty bureaucratic harassment and nighttime raids and blown-up houses. And he shows the inevitable result: the buildup of trustration and hatred. One of the Palestinians Mr. Grossman meets says to him: "Start think-ing about us as your future neighbors.

whom you have to live here.' He goes on: "It's not the Japanese with whom you will have to come to an agreement of peace and trust,

American Jews should also try tothink of Palestinians as human beings, with the usual human desire for respect and the usual feelings of na-tional pride, and they should speak out when they see the danger of Israel trying to control another nation.

The Economist, a conservative British magazine supportive of Israel, said: "If Israel is turning ugly, it is not because its army is inept but because it is a small Jewish nation which since 1967 has been sitting heavily on a small Palestinian nation." The New York Times.

sensitive to the slightest shifts in monetary policy, both in the United States and abroad, as they try to benefit by anticipating whether the Federal Reserve is moving toward higher and leaves in moving toward brighter to be sensitive.

higher or lower interest rates. As a

result, we will continue to have dra-

matic responses in market prices

MIGHT, POWER AND BEATINGS. In the end, we will be the people with right? Even try — and I know that it is probably hard for you, right? — try, God forbid, to respect us."

Why Bush Refuses To Answer

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By William Safire

W ASHINGTON — Why can't George Bush come clean on his participation in the arms for hos-tages decision? Why does he respond by attacking the press for daring to ask the question, or by hiding behind his confidential relationship with the president, or by claiming that he's already answered everything? As Bob Dole keeps reminding us

the questions just won't go away. Why not put the issue to rest once and for all with a single, dramatio lay-it-all-out speech?

Because it is not that easy, indeed resolving the inherent contradictions in his story may be impossible. Here is an attempt to deal with the real world of his imprisonment.

Let us assume, for argument's sake, that the CIA chief at the time, William Casey, discussed with the vice president, who is a former CIA director, the vexing problem facing U.S. intelligence a few years ago: the capture of the CIA station chief in Beirut, William Buckley.

The concern here went beyonti compassion. Honor among spooks was also involved: The world of spice expects a nation to strain to get back its captured agents with trades or raids. Moreover, our man was being tortured to extract from him the names of our entire network in the Middle East, so getting him out was a matter of national security.

Let us assume further that the idea of dealing with Iran, put forward by national security aides, Robett McFarlane and John Poindexter, was not conched in stark terms of armsfor hostages. In the real world, peòple tend to slip around such harsh reality; this could be presented as a way of dealing with influential intermediaries, not as paying ransom to the actual terrorist kidnappers.

And so the colossal misjudgment, in which Mr. Bush was probably involved, went ahead. When presidential findings had to be signed, the matter came up before the National Security Council, where the secretaries of state and defense were let in on the secret. At one meeting at least, on Jan. 7, 1986, they expressed astonish-

ment and strong disagreement.
What did the vice president say?
That's a legitimate question to a many
who would be president, and all participants have been released by Mr. Reagan to say what was advised.

The former defense secretary, Caspar Weinberger, is saying nothing to embarrass Mr. Bush. Secretary of State George Shultz, however, decided to tell the truth from the start: He recalls that the vice president was there, that the secretaries of state and defense were outspoken in opposition, and that "my impression was that the others had a different view." Now we come to what makes cam-

paigning so difficult for Mr. Bush. He is the hostage of his past statements. He thought it would be safe to say first only that he "supported the president's decision," but that evasion intimated that he went along with it afterward, not before Then he said that he "expressed

givings," to give the impression he had been sort of on the side of those opposing the deal; in fact, it turns out that the key reservation was about ROBONDS dealing through the Israelis. His third line of defense was that

he was "out of the loop," deliberately excluded from key meetings in which presumably he would have changed the direction of events. "My first real chance to see the picture as a whole didn't come until December 1986." when the whole world knew.

Another approach came when he recalled his feelings about the captured station chief, but that may conflict with the out-of-the-loop defense.

Put yourself in George Bush's shoes now. You cannot go back and unsay what you have said without admitting "cover-up," so that's out. You cannot wholly rely on your own memory about what you said in meetings, because in real life people do forget, and contradictory classified material may yet surface, or men about to go to jail may seek clemency by remembering otherwise.

Admit that you were hip-deep in

Mr. Reagan's greatest blunder and tried to sneak out afterward? Never, political suicide. That leaves you blasting the media

for daring to ask, and defending the abstraction of confidentiality of discussions between the president and vice president — when everybody knows that you and he would instant-

Massowah states that a body of irregulars, under the command of Chief Adam, who had been sent to protect the retreat of the Ancher, Chedamsega and Teroa tribes with their cattle, had a skirmish yesterday evening [Feb. 6] with some of Ras Ahıla's soldiers, who were attempting to cut off the retreat of the tribes. Six Abyssinians were killed and one was taken prisoner. There were no Italian casu-alties. The tribes now occupy the hills outside the Italian lines.

1913: A Plea for Indians

PARIS — [The Herald Says:] Strong-ly confirmatory of the Herald's expo-sures of neglect and ill treatment of the nation's Indian wards is the special report of the Surgeon-General of the United States Public Hospital Reserve in stabilizing economic activity. Obviously, fiscal policy is not timely enough. Therefore, market participants have become extremely

cient numbers, inadequate compen-sation, uncertain authority and lack of organization, the service was bound to be inefficient. The Surgeon-General's report shows how these handicaps can be overcome."

1938: Franco Is Warned

LONDON — Foreign Secretary Anthony Eden was cheered in the House of Commons this afternoon [Feb. 7] of Commons this afternoon [Feb. 7] as he served notice on the Spanish Nationalist Commander, General Franco, that he can no longer sink British shipping with impunity, but will have 20 reckon with the full strength of the British Navy, which has orders to sink at sight all submanions formed sightnessed in the manions. rines found submerged in the western Mediterranean. The severe tone of Mr. Eden's remarks inight hint that Britain is nearing the breaking point with General Franco and his chief

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matic responses in market prices when the Fed eases or tightens.

The writer is managing director of Salomon Brothers. He contributed this comment to The Washington Post.

100, 75 AND 50 YEARS AGO

1888: Clash in Abyssinia

ROME — A despatch from Massowah states that a body of irregulars under the commend of Chief.

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FOCUS

Why Bush

Refuses

To Answer

By William Safire

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Index Follies At the Bourse

UST HOW MUCH value did the Paris Bourse lose last Oct. 19; France's handi notr (Black Monday)?

Monday??

If you put your faith in the CAC general index, the market fell 4.7 percent. INSEE, the government's economic forecasting institute, calculated the market's loss at 6.2 percent. And L'Agéli, the limancial daily that publishes its own index, said the Bourse plunged 9.2 percent.

Still, when it came to reporting the damage the next day, most newspapers relied on the indicateur de tendance, or trend index. It showed a drop of 9.8 percent.

Which index was actually correct seems less dependent on absolute truth than on matters of personal taste, market psychology and institutional jealousy. And the disparities point up a critical issue for investors who are often maware that not all indexes are created equal. Depending on an investor's goals, one may be a better gauge of performance than

By far, most investors rely heavily on the trend index and the CAC. Both are complied by the Compagnie des Agents de Change, the stockbrokers' asso-

Similar to the Dow Jones averages, the trend index records moment-by-moment price movements from open to close. "The indicateur de tendance is the only measure of the market in real time," notes William Timmerman, a dealer for Proget & Compagnic, a Paris brokerage, "When French or foreign brokers ask how the market is doing today, it's the indicateur de tendance they're talking about."

Odile Tissier, the CAC's chief statistician, says the index is based on the prices of 50 well-known stocks, such as Air Liquide, Thomson-CSF and Carrefour. The selection, she says, is determined by relative capitalization, trading volume and the degree to which they represent major market sectors. The index is produced by adding up the prices, which is then divided by their sum at the end of the previous year. This, in turn, is expressed throughout

previous year. This, in turn, is expressed throughout the trading day as a percentage change from the close of the previous day.

HE BIGGEST DRAWBACK, according to investors, is that the index may not accurately gauge the depth of market sentiment.

Because the Bourse has been slow to computerize its trading system, only about half of the stocks in the index are traded all day. The rest are traded in the

two-hour afternoon session.

As a result, an incomplete opening index is flashed when continuous trading begins in the morning session and is finalized soon after 1 P.M. A closing index then tracks price movements for all 50 stocks in the

When it comes to day-to-day dealing, the CAC index is the most watched measure of the market's movement. This is especially true for foreign fund

"For our French investments, we use the CAC because it's more popular," says Pascal de Salaherry, director of fund management at Ivory & Sime of

Edinburgh. "It's more a question of practice than of determined choice."

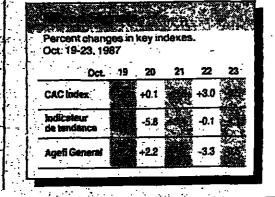
Adds Mr. Timmerman, "The CAC is a very important tool and it has major impact on the market. There's nothing occult or profound about it. It's just

what moves you psychologically."

The CAC is based on a broad sample of 250 stocks.

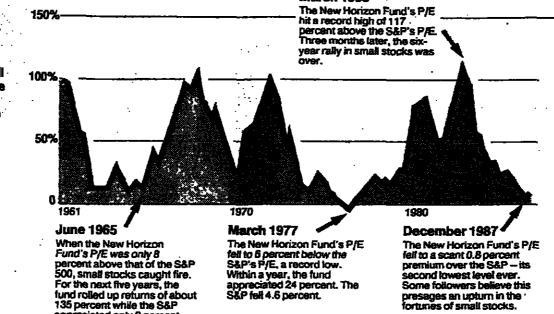
It is also "capitalization weighted." At the close, the sam of each stock's price is multiplied by the number

Continued On Page 10



The Historical Case for Small Stocks

Specialists in U.S. small stocks keep a close eye on the percentage that the price-earnings ratio of T. Rowe Price's New Horizon Fund exceeds the P/E of the S&P 500 stocks.



March 1983

Source: T. Rowe Price

The Mysteries of Market Timing

By Elena Bowes

New York ARLTON Lutts's investment advice comes in simple form. He tells readers of his Cabot Market Letter when to put their money into the stock market and when to take it out. And for the two and a half years starting in December 1984, Mr. Lutts's investment advice boiled down to two words: Buy

But in April 1987, he turned bearish, advising clients to sell all stocks and go into cash. On Oct. 16, the Friday before Black Monday, he was even more adamant, telling clients to "stay in the storm cellar." By November, though, he had turned bullish again, calling the market, "a once-in-a-lifetime buying opportunity."

opportunity."
This in-and-out, all-or-nothing approach is typical of a group of invest-ment specialists called market timers. They try to outguess the stock market's up and down moves, switching out of stocks when they believe the trend is

While many investment specialists and academics scoff at the idea that market moves, the strong performance of several timers during last fall's mar-ket debacle has put them in the spotlight. And with hingering anxiety about another steep drop, even skeptics seem to be paying more attention to timing

Arch Crawford, publisher of Craw-ford Perspectives in New York City, claims that his subscriber base has tripled in the last three months. In his Aug. 8 newsletter, he had advised clients to be out of stocks by the 24th of the month. The Dow Jones Industrials Average reached its peak on Aug. 25.

Another prescient call was made by Stan Weinstein, editor of The Professional Tape Reader newsletter, who urged clients on Oct. 16 to have at least 76 percent of their portfolios in cash. The key to success in 1988 is understanding that we are in a roller-coaster market," Mr. Weinstein says.

"Because of the market crash, the

timers' worth is of more relevance," says Mark Hulbert, editor of the Washington D.C.-based Hulbert Financial digest, a newsletter that tracks investment newsletters. Timers are especially valuable during bear markets because they aim to help investors "sidestep the freight train," he notes. Timer Digest, a Greenwich, Con-necticut, newsletter that tracks over 40

market timers, calculated that about

market are giving timers new prominence.

four-fifths of the advisers it monitors outperformed the Standard & Poor's 500 index. And Mr. Hulbert notes that percent of the market timers tracked by his newsletter beat a strate-gy of just buying and holding a diversi-fied portfolio of stocks. In 1986, only about a third of the market timers beat buy-and-hold strategy, he notes.

appreciated only 2 percent.

Of course, most investors practice some form of timing. Investors rou-tinely make decisions about which securities are overpriced and which are bargains, notes Preston Athey, vice sident of T. Rowe Price's New Horizons Fund, "When something is out of whack, you move towards what is

undervalued and away from what is overvalued," notes Mr. Athey. 100



Stan Weinstein of the

Concerns about a bear

What sets market timers apart is the aggressive emphasis on trying to fore-tell the market's direction. In the timer's view, the most important decision for any portfolio is when to buy and sell. Often, they ignore stock selection, preferring to switch among diversified

Timers are also known for the often complex systems they use to generate their buy and sell signals. Many timers rely heavily on technical analysis, the study of trading patterns to spot weak-nesses and strengths in the market. Another article of faith is that history

mutual funds and money market

ats itself, so timers are earnest stu-

presages an upturn in the fortunes of small stocks.

dents of market cycles.

Timers can be classified as short-term, intermediate-term or long-term.

Short-term timers are in and out of the market almost daily, while intermediate-term timers issue about 10 to 20 buy and sell signals a year. Long-term timers will issue from one to five signals a vear.

Steve Halpern of Dick Davis Digest a newsletter, says that long-term timers make the most sense for individual investors. Few individuals could bear the heavy transaction costs of switching in and out of stocks more frequently. Also, individuals typically make use of mutual fund groups, which may limit the number of free switches among equity funds, bond funds and money market funds.

The complexity of a timer's model can vary greatly. Mr. Weinstein, named the best intermediate timer of 1987 by Timer Digest, tracks over 50 indicators. The most important involve

Continued On Page 8

Small Stocks: A Neglected **Sector Draws New Interest**

By David C. Lanchner

ETER DaPuzzo marks the passing of bad times by sharing a case of champagne with his staff. On Oct. 16, the Dow Jones industrial average declined 108 points. Mr. DaPuzzo, chief of the over-the-counter trading desk at Shearson Lehman Hutton, drank to the good times ahead. "I thought things could only get better," he

The celebration proved premature. On Oct. 19, sell orders overloaded NASDAQ, the National Association of Securities Dealers Automated Quote system. Investors and their brokers turned to phone lines that often rang busy or were left deliberately unanswered by the market makers. When the smoke cleared, equities had taken an across-the-board hit of 20

Since then, small growth stocks have recovered some ground. But in recent weeks, prices have remained flat; the volume of trading is down more than 20 percent. Still, in the midst of such decidedly gloomy conditions, Mr. DaPuzzo is contemplating another champagne toast. "The last time I felt this excited was in the early 80s, when the" OTC market was computerized, says Mr. DaPuzzo.

The reason has little to do with hopes of a resurgence in the economy or even renewed investor confidence. Instead, Mr. DaPuzzo is looking at a technical development that has been virtually ignored by the public but has clearly excited investment professionals. They believe small stocks now look like a bargain when compared with larger, blue chip issues.

The argument is mostly historical. Price-carnings multiples

of growth stocks are frequently 50 percent to 100 percent higher than those of the more mature companies that make up the Standard & Poor's 500.

Now, for the first time since 1977, they are virtually even with the S&P's average multiple of 12.4. The most frequently cited measure, the relative P/E of T. Rowe Price's New Horizon fund, considered a benchmark when evaluating small stocks, has been lower only once before in its 27-year history.

This and other technical factors suggest that after six years of underperforming big stocks, OTC stocks are finally poised

to take the lead, say small-stock enthusiasts.

Investors have heard this kind of talk before. Just two years

ago, experts were forecasting a raily in OTC stocks, arguing that they were relatively inexpensive compared to bigger

Continued On Page 10



Professional Tape Reader

UPDATE

Currency Cloud Over Asian Markets

HE ECONOMIC-growth that powered stock markets in Asia's newly industrialized countries will likely slow this year, a forecast based on an expected turndown in U.S. consumer demand but also reflecting the steady revaluation of local currencies in South Korea and Taiwan, the two NICs with the most economic clout.
With their currencies traditionally linked to

the U.S. dollar, South Korea, Taiwan, Hong Kong and Singapore, often referred to as the "four tigers," have enjoyed a competitive edge in trade with the United States.

But the currency issue has been a sore point in relations with Washington, which has been pressuring the tigers to let their currencies preciate to stem the import flow into the U.S. market. Last November, the Reagan administration went public with its complaints and recently decided to remove special trade privileges enjoyed by the NICs to demon-strate its continued displeasure.

The NICS are responding in varying degrees to Washington's demands. The Singapore dollar, which has gained just over 10 percent in value over the past two years, is likely to continue a gentle, well-managed drift inpward. Analysts predict 5 percent this year.

Hong Kong shows no signs of adjusting its currency. The Hong Kong dollar was pegged to the U.S. dollar in 1983, when confidence in the economy sagged after Britain reached anement to turn over sovereignty to China in 1997. Officials have often stated their resolve to keep the 7.80 exchange rate where it



As for the Taiwan dollar and the South Korean won, James Capel & Co., the Londonbased brokers, expects continued revaluations. But for Taiwan, at least, this is likely to proceed at a slower pace than that set over the past two years.

In December alone the New Taiwan dollar rose more than 3 percent against the U.S. currency, for a gain of 24 percent in 1987 and more than 40 percent since the dollar began its descent after the Group of Seven meeting in September 1985. Analysis expect it to appreciate by another 12 percent this year.

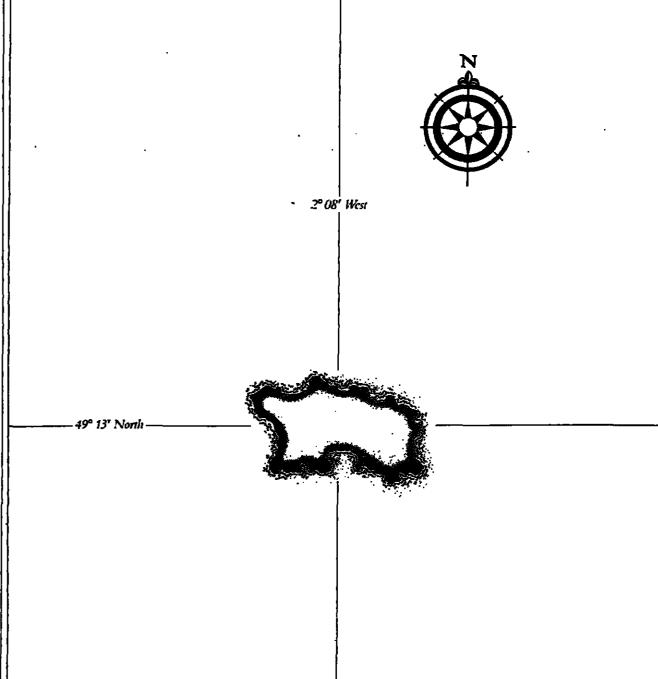
"As long as there's no further increase in pressure from Washington, you're going to see a steady rise of 1 or 2 Taiwan cents a day all year," a Taipei financial analyst says. The concern is to allow local companies time to adjust, and that's generally considered a tolerAlthough currency appreciation is already beginning to bite, this analyst adds, most major businesses in Taiwan have already begun adjusting to an exchange rate of 25 to 1. Companies that are running into trouble tend to be those concentrated in labor-intensive, low-margin industries such as toys and textiles - those ripe, in any case, for relocation to lower-wage nations in Southeast Asia.

In January, South Korea allowed the won to appreciate 1.4 percent. This followed a 1987 gain of 9 percent. In keeping with the relatively gradual pace set by Seoul, the currency is forecast to move up another 10 percent from current levels to 705 won to the

Reflecting the larger scale of Korean corpo rations, they are proving somewhat less flexible than their Taiwanese counterparts. While the revaluation issue has had little effect on the Taipei stock market, South Korean investors are decidedly nervous.

Although the market has risen some 25 percent since the first of the year, the increase has been concentrated in the construction, trade and financial sectors. Industrial firms, by contrast, have risen only 5 percent, reflecting, analysis say, assertions by company executives that profits will evaporate if the won exchange rate rises beyond 700.

"You can't argue with the overall market's performance," says W. Todd Kilborn, senior analyst in Seoul for James Capel. "But the manufacturers are getting killed by the worries over appreciation of the currency. Patrick L. Smith



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Martin Zweig: Market Timer Sees Signs of Trouble

By Cynthia Catterson

Y HIS OWN admission, Martin Zweig is a chronic worrier. He worried about a stock market crash more than a month before it occurred. He worried about the magnitude of the collapse on the weekend before Oct. 19. And, much to the dismay of many of professionals on Wall Street, he is still worried.

"I just don't know how we are going to get out of this mess," laments Mr. Zweig, who believes there are too many haunting similarities between October's debacle and the 1929 crash. "In 103 years of peacetime, there were 11 cases where the Dow was down 30 percent or more and every time a recession or depression followed. That fact obviously bothers me."

This may come as disturbing news to many investors. At 45, Mr. Zweig has earned a reputation as one of the most astute market timers in the business. His newsletter, The Zweig Forecast, has consistently been ranked among the top performers by Timer's Digest, which rates how well newsletters call the market. And he was one of a handful to warn of an impending downturn in the market before the Oct. 19

Mr. Zweig's success also has spawned a a thriving money management business. He oversees \$900 miltion for institutions and \$90 million for wealthy individuals. And in 1986, he launched the Zweig Fund, a \$325 million closed-end fund.

From June 1980 to November 1987, the portfolio recommendations in The Zweig Forecast generated a total return of 342.2 percent, compared with 204.7 percent for the Standard & Poor's 500 index, according to Hulbert's Financial Digest, which tracks newsetters recommendations.

Now that the stock market has recovered from its October lows, Mr. Zweig says his indicators give him reason to feel positive about the next one to three months, the kind of intermediate term that is his specialty. In broad terms, his timing model is based on monetary trends, trading momentum and investor



Martin Zweig is bothered by similarities with 1929.

Interest rates have not climbed back, he notes. And there appears to be sufficient cash around to keep the market moving. He says that cash accounts for about 9.4 percent of mutual fund assets. This is down from 11.1 percent immediately after October's collapse, but still high enough to be considered a positive indicator. Likewise, his momentum model, which measures advances and declines in terms of price and volume, is positive.

When looking at the longer term, however, Mr. Zweig is uneasy. In fact, he believes the market will not show its true nature until sometime in the second half. "I think we are in a rally of a bear market similar

to the rally that followed the crash in 1929," he says. That rally lasted through April 1930, with the market regaining about half the ground it lost in the crash. "With everyone expecting the Dow to go to 2,200 this spring, it probably won't ever happen," he

says.

Mr. Zweig believes the market's downside risk is far greater than what could be gained in a tally of a few hundred points. The spring rally of 1930 was followed by seven successive downward selling waves followed by seven successive downward selling waves of similar magnitude to the crash of 1929. During that period the market lost 89 percent of its value; the economy tumbled into the Great Depression. "Could you imagine seven more Black Mondays?" he says.

Based on his indicators, Mr. Zweig believes there is about a 60 percent chance for a 1929-1932 scenario to be repeated in the coming years. Particularly disturbing to him are the correlating patterns he finds between events leading up to the declines in 1929 and

"Tracking 1929 most of last year is what got me out of the crash," he says. "And looking at 1930, I don't see that the differences between that period and right now are all that significant. I think the similarities are more meaningful?

Both were preceded by a business recovery with moderate consumer price growth and a subsequent slowdown. This, in turn, was followed by another economic recovery, as was the case in 1929 and 1987. The stock market, says Mr. Zweig, was understandably vulnerable last October. "The only time stocks were more overvalued in terms of earnings and priceto-book ratios was in 1929," he explains.

Now, as he looks at the post-crash era, Mr. Zweig is concerned by the Federal Reserve Board's reinc-tance to expand the money supply because of the weak dollar. Roughly 50 percent of his timing model is based on monetary indicators.

"Historically, slow money growth has led to recessions or really bad stock markets within a year or

less." He says the problem is compounded by overex-tended consumer debt and record low levels in per-

Indeed, it was the Fed's decision last September to raise its discount rate that finally convinced him to flash a sell signal to his 13,000 subscribers. At the time, he said there was a 50 percent chance that the market would have a greater than 10 percent drop and advised the subscribers to his \$245-a-year newsletter to reduce their stock exposure to 67 percent and invest 1 percent of their portfolios in November pul.

On the eve of the collapse, he was telling chems using his telephone hotline service to reduce their market exposure to 8 percent, investing 3 percent in purs, and leaving the rest in cash. In the weeks that followed, the Dow Iones industrial average fell almost 40 percent from August's record high, while Mr. Zweig's model portfolio gained about 13 percent.

Volarility is another source of worry to Mr. Zweig Based on a daily average, the Dow Jones average has been swinging up and down by roughly 3.5 percent. This degree of volatility has not been seen since 1929. he argues, and has eroded investor confidence. Further bruising confidence has been programmed trading, he says, because it has made it even harder for investors to get out of a falling market.

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Mr. Zweig does not expect the market to take a turn for the worse until sometime later this year. However, he has already started to reduce his equity exposure, going from 80 percent in the beginning of the year to 68 percent.

When picking stocks, Mr. Zweig uses computer programs to select issues on the basis of earnings momentum and attractive price/earnings multiples He also reviews Wall Street reports in search of companies whose earnings have been underestimate ed, betting that future revisions will boost the price of

For the time being, Mr. Zweig is not recommending any stocks. He holds 10 in his model portfolio, however. These include Apple Computer, Canadian Pacific, Louisiana Pacific, Walt Disney, Northwestern National Life, USX, Caesars World, TRW, Transcreen samerica and Firestone.

Mysteries of Market Timing

the market and key sectors are that usually move in tandem sudrising and falling. These include denly move in opposite directions. such statistics as the Dow Indus-

A second set of indicators measures investment sentiment. These include various measures of shortrowed stock in an effort to cash in banking reserves.

Mr. Weinstein says no single indicator influences his decision to issue buy and sell signals. "The weight of evidence" of all the indicators is the key, he says. "The is too much "complacency, not trick is not to get wedded to any fear," he says. "When the market one scenario.

Continued From Page 7 what he likes to call "negative dimeasures of momentum: how fast vergencies," cases when indicators

Mr. Lutts puts the emphasis on interest rate trends. He uses interest rates to construct what he calls his Power Index.

Despite the success of several trials' 30-week moving average of advancing versus declining and daily readings of the number stocks is setting new highs, but the of advancing and declining stocks.

Dow average is not.

times in sidestepping last October's sell-off, many students of stock markets remain skeptics.

include various measures of short-selling activity, the sale of bor-Many students of stock of indicators tracks monetary policy, including gold prices and banking seconds.

bearish over the long term. There is too much "complacency, not me scenario." really hits the bottom, blood is running in the streets."

Currently, Mr. Weinstein is The argument goes back to ageneutral for the short term and old arguments about the nature and predictability of markets.

> Stephen Ross, a professor at the Yale School of Management, agrees that "nothing determines performance as much as the allocation of assets and when an investors does it." But, he adds, "If timing works, it is still very hard to do."

A study published recently by Richard S. Woodward and Jess H. Chua of the University of Calgary concludes that to be successful over long periods of time, a timer markets and 50 percent of all bear markets. (The difference in the percentages reflects the historical updrift in stock prices.)

Mr. Athey at T. Rowe Price regards aggressive timing strategies as a "hazardous endeavor." Technicians, he says, echoing a number of colleagues, are a "weird lot."

Still, Mr. Hulbert is not so quick to dismiss the usefulness of timers. "It's too easy to poke holes," he tans out there. But there also are timers with consistently good re-

1987's Top Timers

The best-performing market timers tracked by Timer Digest from Jan. 2, 1987 through Dec. 31, 1987. The performance index measures results against the Standard & Poor's 500 index, which is based at 100 at the start of the period. Some opinions may h. e changed since publication of the

	Performance index	at year-end	signal_
Stan Weinstein Professional Tape Reader	175.7	Bullish	Dec. 8
Craig Corcoran Davis/Zweig Futures Hottine	164.8	Bullish	Nov. 11
Martin Zweig Zweig Forecast	160.8	Bullish	Dec. 30
Lewis Stocks Superdow	155.8	Bearlsh	Dec.31
Steve Todd Market Master	154.3	Bullish	Dec. 4
Peter Eliades Stock Market Cycles	151.3	Bullish	. Dec. 14
Gerald Gordon Gordon Market Timer	150.1	Bearish	Dec. 29
Charlie Hooper Mutual Fund Strategist	143.0	Bullish	Dec. 30
Bernard Schaeffer The Daily Trader	140.6	Bullish -	Oct. 20
Heinz Petzold Petzold On The Market	136.1	Bearish	Nov. 30
Standard & Poor's 500	100.3	71.11	

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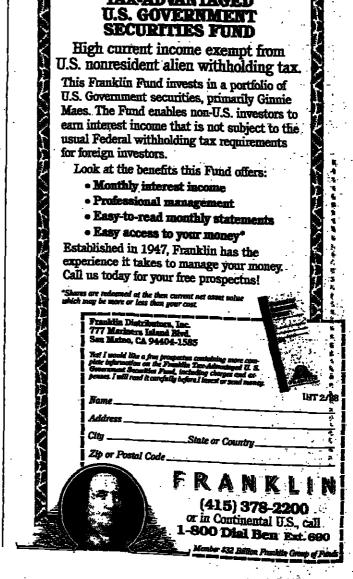
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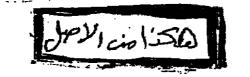
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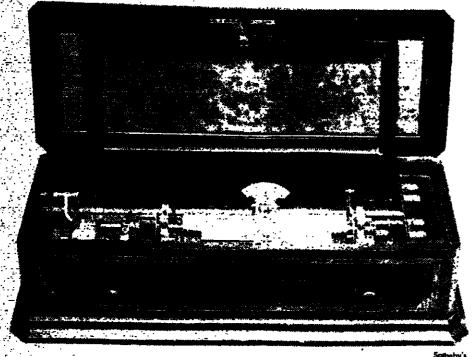
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COLLECTING



A Swiss cylinder music box by Troll & Baker, late 19th century.

An Ear for Musical Value

By Alice Oshins

HILE MOST collectors rely on visual instinct to appraise prized pos-sessions, those who collect music boxes have decidedly different criteria. For these enthusiasts, sound is the chief measure of aesthetics - and value

"When people buy music boxes, they close their eyes and just listen to the music," says Dana Hawkes, collectibles expert at Sotheby's in New

As more people listen, prices for these precious boxes are rising. Yet, the market for music boxes is characterized more by stability than by speculation. It is relatively small. And, experts say, it is dominated by collectors who tend to have specialized knowledge of the music boxes' complex me-

Ziegfried Wendell, director of the Museum for Mechanical Instruments in Rüdesheim, West Germany, estimates that the value of music boxes is appreciating at an annual rate of 5 percent to 10 percent. "With a weaker dollar, it pays to buy music boxes in the U.S. right now," he says.

Music boxes have always been objects of curi-

osity. Swiss watchmakers were the first to invent a device in which the raised pins of a rotating cylinder could pluck the teeth of a tuned, metal comb to produce a musical note.

Initially, these contraptions were inserted into clocks and souff boxes to enhance their appeal. But by the early 1800s, the public's fascination with music boxes was evident. And their popularity grew when leading Swiss makers such as Nicole Frères, Bremond, Paillard and Troll & Baker made boxes with arias, overtures, polkas

By late 1800s a music box using a disc was introduced in Germany by Polyphon, a Leipzig company, which also sold them in the United States after founding Regina. The Rahway, New Jersey, company is better known nowadays for its bome appliances.

The disc music box was generally louder and livelier. For example, "Yankee Doodle" and "Bill Baily Won't You Please Come Home" were American favorites. People also found they had a much wider selection of discs, enabling them to use this music box much like they would use the

phonograph decades later. Whether the music is produced by a disc or cylinder generally does not affect the value of a

Nevertheless, certain markets have preferences. Over the last four years, for instance, Japan has become one of the strongest markets for disc music boxes. "In Japan, they like the idea that with the disc boxes you can have more music, as opposed to the cylinders, where you can't change the options," says Nancy Fratti, a music box specialist in Whitchall, New York.

Regardless of the type of box, the quality of the sound remains the overriding concern. Here, the length of a cylinder or diameter of a disc is a key factor because the greater the surface area, the longer it takes for a complete revolution. As a result, the box can produce more notes and. therefore, more sophisticated arrangements.

This tends to boost value. At a December 1987 auction at Christie's in London, a 24%-inch disc Polyphon box fetched \$8,500, more than \$3,000 above its anticipated price. At Sotheby's in New York, a 13-inch (33-centimeter) cylinder box commanded \$1,700 more than its \$4,000 estimate. And a Polyphon 241/2-inch disc music box sold at \$5,250, more than double the estimate.

Maintaining the quality of the sound can be costly, however. Music boxes are mechanical and require tuning and repair. Indeed, it is not un-common for the cost of restoration work for a broken box to exceed its resale value. However, collectors have little choice since boxes badly in need of repair or tuning are generally shunned by

Finding the Right Money Market Fund

funds' investments is 120 days, so

"if your fund's maturity is 119

days," Ms. Cook warns, "that's

Fund size is also important.

You want a behemoth," counsels

Mr. Markese. Ms. Cook agrees:

"Generally, large funds are able to

"Larger funds also are less lim-

ited in the denominations of the investments they purchase," she adds. "What's more, large funds

are often members of fund fam-

ilies, offering investors the flexibil-

ity to move their money easily among a variety of funds with one telephone call."

sociated with managing a fund

take on greater importance. "Not

all mutual funds are quite the

same," notes Mr. Markese. "When

looking at very short-term yields,

costs will eat away at yields." Ex-

penses of one-half to three-quar-ters of one percent of fund assets are considered acceptable.

One fund group that prides it-

Assets (5 millions)

\$4,295.7

145.2

354,4

4,477.8

181,1

341.3

221.5

222.3

167.7

self on low operating costs is the

Dec. 31

6.54

Source: Donaghue's Money Fund Report

With yields so low, expenses as-

keep their expenses lower than small funds because of economies

something to think about."

By Joan Westreich

New York HE RESURGENCE of investor interest in U.S. no surprise. Since Oct. 19, the rending volatility of global markets has heightened the appeal of these safe entremely liquid. these safe, extremely liquid cash

According to the investment Company Institute, an industry trade organization, in mid-October, \$247.2 billion was on deposit in taxable funds, while the lesspopular tax-free category con-tained \$66.! billion. By Jan. 20, the tally had risen to \$273.6 billion in taxable funds and \$68.3 billion in tax-free funds.

Today's yields are far from the double-digit yields of the early 1980s that buttressed the popularity of money market funds. According to Donoghue's Money Fund Report, in 1987, 12-month average yield for all taxable funds was 6.12 percent. Tax-free funds yielded about 4.14 percent.

With yields so modest and the financial environment so volatile, it makes even more sense for investors to do a little comparison shopping. Money market funds can vary widely on such key points as special services offered, the kinds of instruments in which they invest and administrative costs.

The place to start is with the fund's prospectus, available directly from the fund sponsors or through a brokerage. Susan Cook, editor of Donoghue's Money Fund Report, advises examining a fund's track record "not only for the previous year, but for two, even five years.

Among the first decisions is whether to choose a tax-free fund. "These make sense only for indi-viduals in the highest income brackets," says John Markese, director of research for the American Association of Individual In-

Another question is whether the services offered by the fund meet personal needs. Money market funds offer a range of services, which may include check-writing privileges, telephone switching into equity and bond funds, wire redemption, and provisions for individual retirement accounts. The minimum initial invest-

ment typically is \$1,000, but may vary from \$250 to \$10,000. Some funds have no minimum deposit requirement. Many restrict the number and amounts of checks. Some charge sales fees. The funds, which are regulated

by the Securities and Exchange

The U.S. funds differ in crucial ways, so shopping

Commission, may invest only in the safest, most liquid, short-term securities available in the money market. Typically, money funds include a mix of U.S. Treasury bills, other U.S. government agency notes, top-rated commercial paper and bank certificates of de-posit. Some funds also delve into the Eurodollar market.

The most conservative investors may want to be in a fund denomi-nated in U.S. Treasury debt only, though they should not expect su-

Another risk-related issue is how aggressively the fund manages its assets. Here, the average maturity of the financial instruments in the fund can give an indication.

"Maturity is an indicator of where managers think interest rates and yields on money funds will go," says Ms. Cook. Fund managers trying to increase yields often buy instruments with comparatively longer maturities. Longer maturities, though,

mean a bit more risk and can make for more volatile returns. The maximum maturity allowed on the

1987's Top Yields

Vanguard M.M.R. Prime

Bayshore Cash Reserve

Kemper Money Market

The Galaxy Funds M.M.F.

Trinity Liquid Assets Trust

Magner Cash Mgt. Fund

Counsellors Cash Reserve

Cash Assets Trust

MarketMaster M.M.F.

Flex-fund Money Market Fund

Top-performing general purpose money funds in 1987 with assets over \$100 million

panywide goal to beat back expense ratios without cutting back quality or service," says Brian Mattes, company vice president. "We operate the fund for about 37 cents for every \$100 [of assets] compared with the [industry] average of 75 cents."

Donoghue's Money Fund Report ranks Vanguard M.M.R. Prime, with its 6.64 percent yield, as the No. 1 for 1987 among tax-able funds with assets of \$100 million or more,

At the end of November, Vanguard M.M.R. Prime's assets were invested 84 percent in domestic money market instruments such as

Vanguard Group of Valley Forge, Pennsylvania. "It has been a com-mercial paper and bankers accepmercial paper and bankers acceptances. In addition, it held 10 percent in so-called repurchase agreements and 6 percent in U.S. government agency paper.

> One fund group taking a more global view is Huntington Advis-ers of Pasadena, California. It operates money market funds in six different currencies, including the Japanese yen. Deutsche mark and British pound, as part of its Inter-national Cash Portfolios.

The group includes a Global Portfolio that invests in a wide range of instruments in various currencies to maximize the fund's value in dollar terms.

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The Bloodbath in New Stock Offerings

By John Boland

New York EW INVESTORS WHO bought new stock offer-ings in 1987 will look back with pleasure. The pre-October market en-Wall Street's underwriters to sell a record volume of initial public offerings (IPOs) — \$24.2 billion worth, up 8 percent from a year earlier, according to Going Public, a service that tracks the

But by the time the books closed in December, the average new issue had fallen 24.6 percent from the price the initial buyers paid. Going Public has not calculated the dollar loss to investors, but the publication's editor, Susan Gal-lant, says, "My guess is it's the biggest ever."

The largest new issue in history,

last June's \$1.58 billion offering of a closed-end bond investment company, the Nuveen Municipal Value Fund, closed the year down 17.5 percent from its \$10 offering

Like most closed-end funds, Nuveen Municipal Value trades at a discount from net asset value. And typical of initial stock offerings — whether of industrial, ser-vice or investment companies the underwriter's fees and discounts depleted the initial investors' capital by 6.5 percent at the

oritset.

Results were at least as disappointing for investors in the great



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INTERNATIONAL STOCK MARKETS IN THE IHT EVERY TUESDAY. A COLUMN ON NONUS, STOCK

MARKETS, ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS—

majority of the IPOs of 1987. According to Ms. Gallant, only 18 percent of the year's 541 new issues closed December above the initial offering price. During 1986, 44 percent of the IPOs were trading above their offering prices at

To many analysts, it comes as no surprise that a boom in new issue sales was accompanied by miserable performance by the stocks in later trading. "You can use the trend in IPOs as a fairly accurate barometer of the stock market," says Kenneth L. Fisher, whose Woodside, California, nagement firm directs about \$120 million. When the number of new issues is high, he says, "It's a

Mr. Fisher and some other analysts assert that new public offerings seldom are a good deal for the initial buyers. "Companies only go public when they can raise money at favorable prices." Mr. Fisher says "Favorable prices to Fisher says. "Favorable prices to them are unfavorable to the buy-

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working hard for you.

The underwriting firms compet-ing for corporate business will often price a deal as high as the market will bear, according to several analysis. The pressure for business also may have led underwriters to take fewer pains to inspect the quality of the products they were selling, money managers and investment bankers say.

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The stock market plunge in October hurt many issues and dried up demand for further offerings. Even so, much of the decline in the new-issue prices is evidence that they were bad deals," one retail broker said. In some cases, bad news came soon after the public bought, leading to lower prices. In April, Laidlaw Adams

brought out a \$6.6 million offering bad time to buy stocks." of Fisher Transportation Services, a freight carrier. Five months later, the company cited inadequate accounting controls in saying that reported financial results could not be relied upon. Fisher Transportation's stock was high on the year's losers' list, falling 92.7 percent, from \$6 to about 50 cents.

De Laurentiis Film Partners, brought out in February at \$16.25, closed last year at about 81 cents, down 95 percent. Other poor performers among deals of more than \$5 million, cited by Going Public, included Antonovich, which sells fur coats. It was brought out by Evans & Co. in March and fell to \$1.875 from \$9.625 by year's end, off 80 percent.

Among deals larger than \$5 million, the Fastenal Co., underwritten by Robert W. Baird, led the winners last year, ahead 64 per-cent. Fastenal sells threaded fasteners. Calgon Carbon, a maker of activated carbon brought out by Shearson Lehman, gained 57 percent. Three offerings with values ranging from \$22 million to \$120 million — Topps Inc., Carlton Communications and British Airways — each gained slightly less than 50 percent. The underwriters were Goldman, Sachs; Shearson, and Salomon Brothers, respective-

· 1987 The New York Times

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Dotlars, or Pounds Sterling. As the

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Offshore funds

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Post Bang: Brokers Go For the Fees

By Marybeth Nibley

HEN FIXED commi stock trades were abolished in October 1986 in London's Big Bang of deregulation, there were dire predictions that individual investors would pay more, not less.

The predictions have proved largely accurate. Competition for the brokerage business of big institutions, such as pension funds and insurance companies, has cut commissions for those heavyweight traders to the bone. But the fees charged to private investors have gone up.

"The private investor is paying more be-cause before Big Bang he was subsidized by the institutions," says Peter Saunders, head of private-client services for Kleinwort Grieveson Investment Management. "Private investors never paid enough before Big Bang, real-

What has happened to small investors bears several similarities to what occurred after U.S. authorities abolished fixed commissions, says David Blake, director of the securities industry program at City University Business School in London. Competitive pressures have forced firms to scrutinize their cost structures, and the individual investors generally come out the loser.

Given the overhead involved in maintain ing small accounts, few firms are actively courting private investors. While a handful of brokerages, such as Quilter Goodison, made news by putting retail-like bounques in department stores and other locations to woo average investors, most firms prefer to target the wealthy. Small investors are herded into unit trusts and other forms of pooled invest-

David Franks, director of the retail division of Quilter Goodison Co. Ltd., says firms seem to be refraining from encouraging retail business because they have had a hard time coping with the increased volume of trades. Until greater automation becomes standard, the growing business generated by privatizations and the government's promotion of share ownership will strain back offices.

One of the problems of gauging the change in transaction costs is the transformation of the financial services industry itself. The investment business was carved up more neatly before Big Bang. Stockbrokers and banks charged commissions for trades, and merchant banks charged investment management fees to manage their wealthy clients' portfo-lios. Now, the melding of the financial ser-vices industry spawned by deregulation has led to an assortment of packages of services and fee structures.

Before Big Bang, commissions paid to stockbrokers were set by the Stock Exchange, with the amount depending on the size of the share transaction. These commissions typically ranged from 1.65 percent on trades of up to £7,000 to 0.55 percent for trades between £15,000 and £130,000.



The Quilter Goodison boutique at Debenham's department store.

Some firms have, in effect, kept the old Stock Exchange commission scale with little or no modification. They note that customers put up little resistance to commissions because these charges are deducted from capital gains when calculating tax liability. Fixed fees generally are assessed on fuller services, which may include portfolio performance reports, telephone or written advice, and tax computa-

Increasingly, the emphasis in the industry is on generating fees. The whole trend among the larger firms is to go more for fees and less for commission," says Mr. Saunders at Kleinwort Grieveson. From the view of the firms, fees represent a more reliable revenue stream.

David Rosier, deputy chairman of Mercury Rowan Mullens, the private client arm of Mercury Asset Management, says there is also a belief that commission-based remuneration - payments linked to the size and number of transactions - is a temptation to "churn" customer accounts. Churning is the unnecessary buying and selling of securities to boost

A basic consideration for any investor is who will make the decisions about what to buy and sell. Discretionary accounts, where the investment manager makes the decisions. have a different cost structure than advisory accounts, where the customer makes the investment decisions. In sizing up costs, investors should keep in mind that many firms quote costs exclusive of value-added tax, and a stamp duty of 0.5 percent on all purchases across the board also is passed on to custom-

Hill Samuel's discretionary portfolio service is an example of mixing fees and commissions. The minimum investment is £200,000, on which Hill Samuel charges a minimum fee of £1,100 annually. The fee takes a declining percentage of larger portfolios so that on accounts of £1 million, the fee is £3,000. A commission scale along the lines of the one formerly mandated by the Stock Exchange is

For clients with less to invest, Hill Samuel offers a unit trust investment management service on which it charges a minimum of

Mercury Rowan Mullens Ltd. charges a fee based on the value of a portfolio so that the

more money made for a client, the higher the fee. The discretionary management service is available to private investors with about £300,000. The fee is 0.75 percent per year on the first million, or a minimum of £2,500 for portfolios managed in the United Kingdom investing in securities for which payment may be made in British pounds.

Commissions are charged, starting at 1.4 percent on transactions up to £7,000 and declining thereafter as the trades get larger. There are no commissions on transactions

At some firms, investors may elect to pay a fee based on the number of holdings. At Kleinwort Grieveson, an investor who chooses this structure would pay an annual fee of £5 per holding if using the so-called nominee service, in which the securities are held in the firm's account, and £10 otherwise on the full discretionary account. The advisory service's annual fees are £15 if the nominee service is used and £20 otherwise.

Investors can buy and sell shares through their banks, such as Barclays, Lloyds or National Westminster. Usually, there is no minimum amount that must be invested and there are fewer frills.

Natwest Stockbrokers charges a minimum of £25 for any transaction that goes through its books, up from £15 about two years ago. It also levies a flat closing commission of £30 on second transactions occurring within the same Stock Exchange account period, which lasts two weeks. Before Big Bang, closing commis-sions were optional and few brokers charged

Private investors who know what they want to buy or sell have a handful of executiononly, no-frills outfits from which to choose. Even a few of the bigger brokerages have ventured into this area with varying degrees of success. One of the ventures, called Share-Link, can be compared to an American-style

Launched last year in partnership with Albert E. Sharp, a large independent brokerage based in Birmingham, ShareLink aims to provide a fast and efficient way to trade securities. It offers no stockbroking advice or investment management services.

Small Stocks: A Historical Case

January Market Scoreboard

stocks. It never occurred. And there are still daunting problems confronting small companies, not least of which is a looming reces-

Yet, some market observers believe the alluring ratios will finally overcome the investment styles and pressures that have kept the OTC market down. Moreover, they say that this presents an op-portunity for individual investors, since many big institutions have abandoned small stocks.

Binkley Shorts, manager of the Boston-based OTC Fund, is a vigorous proponent of the valuation argument. He notes that big or small stocks tend to outperform each other during cycles that last five to seven years. Since big capi-talized stocks have tended to dominate the buil market since 1982, he believes it is time for small stocks to take over the lead.

Mr. Shorts also notes that the reversal has happened in the midst of bear markets and bull markets, when the dollar was strong and when it was weak. "The one constant," he says, "has been the technical factor of relative valuations. When the pendulum swings to ex-cessively high multiples in either the blue chip market or among small growth stocks, investment

styles change." shares has been steadily eroding since mid-1983, when the small stocks traded at more than 2.2 times the S&P multiple. As measured by the New Horizon Fund, that multiple is now only at a I percent premium to the S&P 500.

"Almost every time the multiple has fallen within about 5 percent of the S&P, NASDAQ stocks have begun to outperform the larger stocks within a year," says John Laporte, portfolio manager of the New Horizons Fund.

A look at stock performance over the past five years gives credence to the pendulum theory. The heart of NASDAQ, the 1,200 companies with market capitalizations of \$25 million to \$150 million, have seen earnings increase at twice the rate of S&P stocks and book values grow 150 percent faster. In the same period, though, the NASDAQ Composite index has appreciated only 42 percent, compared with 113 percent for the S&P.

Mr. Shorts blames indexing, corporate buybacks and new-issa activity to explain why OTC stocks have been overlooked. For the past five years, buybacks have shrunk the supply of stocks on the major exchanges, boosting prices. the same time, new issues on the OTC market have increased supply, depressing prices. And indexing, the practice of keeping pace with market averages by investing exclusively in the stocks of major yardsticks like the S&P, has

Percent Percent Change **New York Stock Exchange:** Compiled by Media General Financial Service Federated Dept. Stores **Tandem Computers** Applied Magnetics Amax Gold Inc. -24 -23 -23 -23 -22 -22 -21 58.75 19.75 15.63 14.13 36.50 26.25 11.88 Sterling Drug Inc. +60 19.75 18.63 Ultimate Corp. Battle Mountain Gold +55 51 Artra Group Inc. 26.75 17.50 Phelps Dodge FMC Corp. Erbamont N.V. National Intergroup 30.88 11.38 Stop & Shop Cos. Placer Dome 12.63 17.63 Teradyne Inc. Callahan Mining Ingredient Technology American Stock Exchange: -28 -26 Western Digital. Echo Bay Mine Ltd. 14.75 11.88 Grand Auto Inc. First Wyoming Bancorp Howell Industries Inc. Resorts Int'l Inc. (A) Valspar Corp. Amer. Israeli Paper +54 +50 16.13 13.75 -17 -16 19.63 Giant Yellowknife Over the Counter: 13.50 Topps Co. WTD Industries Inc. -34 -28 -26 Cooper Development Co. 11.63 Agnico Eagle Mines Amer. City Bus Jour. 45.63 Stanadyne Inc. 13.50 12.25 Phoenix Medical Tech. -25 -25 Pegasus Gold Inc. **Burritt Interfinancial** London Stock Exchange: Compiled by Morgan Sta 244 395 195 138 564 142 108 126 322 152 Laing Properties Tricentrol Telephones Rentals Electrocomponents +25 +23 +22 +21 +20 +20 +19 183 197 82 Calor Group Ferrant Rolls-Royce BAA (British Airport) Allied Colloids Group Northern Foods 260 194 Christian Salvesen 277 483 Tokyo Stock Exchange: Compiled by Morgan S Inageya Chiyoda Chemical 1,490 771 2,140 3,400 2,160 719 959 308 1,440 3,480 Nippon Yakin Kogyo Okuma Machinery Wrks 615 +41 +40 +36 +35 +33 +33 +30 +29 890 4,430 Seiyu Mitsubishi Trust Daiwa Securites Osaka Titanium 1,190 Nippori Univac Nippori Metal Ind. Kamigumi 1.650 Maruzen Co. 611 Kawasaki Heavy Fujitsu Ind. Bank of Japan Kyowa Hakko Makita Electric

pushed a large universe of shares to very high multiples without realone is enough to propel OTC gard to basic company fundamen-

"The crash finally revealed that valuations on larger stocks were way out of line. Highlighted by the low P/E ratio, investment momentum should swing back to the small stocks in a matter of months," says Mr. Shorts. He says the OTC market could climb 10 percent by year's end, while the S&P and other large stock indexes

stocks remains at the center of a debate. Robert Robbins, an emerging growth specialist with Robinson-Humphrey in Atlanta, believes small stocks will continue to trend lower "at least through 1988." He cites several market conditions that are unlikely to change without a significant strengthening of the economy.

Whether price attractiveness

Increased compension from foreign companies and ever-growing

numbers of entrepreneurs have croded carnings at small businesses in recent years, Mr. Robbins maintains. Also, he points to the ability of larger fittes to trim more fat from their operations. Another important factor conVer Int

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tributing to poor small-company stock performance is excess industrial capacity spawned by a sing-gish economy. This drives com-panies to look for new areas to compete in and makes things tougher for the small firms," says.

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1ST PRIZE COUT OF GREEK, MUNICERS	1	\$13,890,588.80
2ND PRIZE	10	\$443,481.60
3RD PRIZE	716	\$3,704.70
4TH PRIZE	48,917	\$139.30
5TH PRIZE	965,112	\$10.00
TOTAL PRIZES		L PREZEVALUE

All orizes quoted in Canadian dollars. 1st, 2nd, 3rd, and 4th prizes are calculated on a pert the total prize pool. Since the prize pool fluctuates f to draw, the size of the prizes will vary from the size of the

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Distributed by KLM Royal Dutch Airlines Publication Distribution Service Holland, Allow 4 weeks for delivery.

Sizing Up the Indexes

Continued From Page 7 of outstanding shares. The total capitalization is then divided by the capitalization of the same

stocks on Dec. 31, 1981.

Brokers note that the CAC index has extra value as a long-term measure of the Bourse because its base coincides with the start of the bull market in France, Previous to 1981, the CAC index, which was initially launched in 1968, was based on 1961 capitalizations. Ms. Tissier said that the CAC

could go through a major reformulation at the end of this year to reflect the return of financial stocks as a result of the govern-ment's privatization program. In the past year, the government has sold off Panbas, Suez and Société Générale. Depending on market conditions and presidential election politics, it has hopes of privatizing several more, such as Crédit Lyonnais, Banque Nationale de Paris and two large insurance

groups.
"Like in 1981, when we had to restructure the index because of the nationalizations, now we'll have to change it because of the privatizations," she says.

One of the CAC's shortcomings

is that its daily value is based on opening prices. That, say analysis, explains the CAC's understated account of the Bourse's performance on Black Monday. The day's index result was already set in stone before Wall Street opened in a free-fall at 2:30 P.M. local time, sending Paris prices down

In contrast, statisticians who calculate the Agéfi index, published by the Paris-based financial daily, claim their numbers reflected both the depth and breadth of the crash.

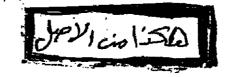
Gérard Prevost, head of L'Agé. fi's index service, claims his gener al index is more accurate than the trend of CAC indexes because it reflects the prices of all stocks traded on the market, not just representative samples. And since it uses closing, instead of openings prices. Mr. Prevost armes the Ageri is better than the CAC as a

mirror of the day's activity.

"Many times when the indicateur shows a light increase, we show a small decrease," he says: Their indices aren't fine-tuned to give a picture of the market as comprehensive as ours." While the debate about which is

the best index continues, there is little argument over which is the worst. The government's INSEE stock index, started back in 1850; is regarded as the most irrelevant measure by market professionals.
The chief reason is that INSEE'S index is not calculated until
the following day — too late to be
a useful barometer of the market.
To compile its two daily indices. one based on closing prices of 56 French stocks and the other on 30 foreign stocks traded on the Bourse - statisticians at the IN-SEE wait for the next day's news papers to arrive to add up the

closing prices and calculate the index by hand. Jacques Neher



Interest-Rate Concerns Make the Market Manic

By CARL GEWIRTZ

ARIS—The Eurobond market is going through one of its manic periods. New-issue volume slumped to \$2.5 billion last week, following the previous week's \$8.4 billion, as the euphoria of a stabilized dollar dissipated into worries sout where interest rates were headed.

Jayour where interest rates were hearted,

Jay week's end, with the U.S. Treasury's quarterly refunding
dut of the way, U.S. bond prices were again soating after

Fashington reported a much smaller gain in January employment than most analysts had expected.

Jayout U.S. officials cantioned that one month's figures do

not indicate a trend, bond markets interpreted the job data as

is being committed

to straight

dollar bonds.

confirming the signal given by the earlier report of a big buildup in inventories that the U.S. economy is headed for a Little new money

Conviction that a recession is impending has underpinned the rally in bond markets since the Oct. 19 crash in stock

If A U.S. recession would be good news for the dollar — implying fower imports and therefore declining trade deficits. The bond market would also benefit as it would open the way for a further decline in interest rates and a continued rise in bond prices.

But whether it is a recession or simply a slowdown in growth is still uncertain, as is the outlook for interest rates. There is one school of thought that dismisses the accumulation of inventories as harting only retailers, reflecting the slowdown in consumer demand, but not industry overall, which is working flat out to meet the rising export demand.

slipping into a recession. In other words, under this scenario there is no justification for the Federal Reserve to allow interest rates to fall. As a result, the United States is seen as being in no danger of

The other view on reading the data is that the growth in exports which still only account for about 10 percent of total U.S. datput — will not be enough to overcome the weakness in the demestic market or prevent a recession.

OR DOLLAR investors, the crunch may come this week. At midweek, the Fed's policy-making Open Market Committee meets and market operators will be looking for signs of easing. A cut in the discount rate is probably premature given the ambiguity of the economic data, analysts say, but the Fed could allow the cost of overnight money to dip.

The bond market could be set back if there is no sign of any hange by the Fed. Analysts note that bond market interest rates

age now back to levels prevailing nine months ago and a cut in the discount rate is widely foreseen.

However, a Salomon Brothers economist, Henry Kaufman, said he doubted that the Fed would cut its discount rate.

"With memories of a plunging dollar still fresh, that move may require an internationally coordinated interest rate cut, which is not likely soon," he said. "Authorities may also be hesitant to move without further confirmation of dwindling inflation and more substantive evidence of a steadily weakening expansion than the statistics have yet offered.

"Although employment growth dropped markedly in January," Mr. Kaufman added, "it remained positive, and slowing December inventory gains suggest that a needed reduction in business stocks may already be under way. Consequently, the Fed will scrutinize upcoming data for evidence of further deterioration in domestic demand before easing more decisively."

Financial markets will also be looking to Friday's report on the December trade figures. These are widely expected to be in the range of November's \$13.2 billion shortfall -- comfortably below the disturbingly large \$17.6 billion deficit registered in October. If the latest trade data is deemed favorable and the dollar remains on the uptrend that has pushed it back to levels not seen since November, then the Fed will have a freer hand to consider

easing interest rates. Without such easing, the rally in the dollar bonds markets may simply run out of steam. Growing doubts about further cuts were evident last week, when the value of straight Eurodollar bonds offered for sale tumbled to \$620 million. In each of the previous two weeks the new-issue Enrodollar calendar hit \$1.9 billion ievels not seen since last March.

Bankers report that little new money is being committed to straight dollar bonds. The late-January flood of issues largely absorbed the pent-up cash that was waiting to be invested in that

sector, bankers say.

In addition, the market is vulnerable to a sell-off. Not all of the recent paper has been sold. That leaves underwriters, badly bruised last year, sitting on bonds that could be dumped if the outlook turns less favorable. The best that can be said for last week's four straight Eurodol-

See EUROBONDS, Page 13

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OPEC Output Slumps

Agency Cites Cuts By Gulf Nations, Price Differential

PARIS - OPEC's oil production fell sharply last month, mainly because of cutbacks by the cartel's Gulf exporters, the International Energy Agency said in a report released Monday.

The agency said oil companies had shown less interest in buying OPEC oil, reflecting a growing unwillingness to pay prices that are well above free-market levels.

The Organization of Petroleum Exporting Countries' official average price is \$18 a barrel, whereas crude oil is selling in the open mar-ket for about \$1.50 a barrel less.

OPEC production in January was 17 milion barrels a day, down from 18.3 million in December, according to the energy agency's monthly report. The Paris-based agency monitors world oil market evelopments on behalf of 21

All Gulf producers together pumped about 1 million barrels a day less in January than in Decem-

The slackening of OPEC output appeared to indicate that oil companies were dipping into stockpiles they built up last fall when many OPEC members were exceeding their output quotas.

Last December, OPEC affirmed a ceiling of 15.06 million barrels a day, excluding Iraq. The agency said production by the 12 OPEC members other than Iraq slumped to 14.6 million barrels a day last month. Irac's output was estimated at 2.4 million barrels a day. Rilwann Lukman, the OPEC

president and Nigeria's oil minister, said last week that he expected oil prices to rise soon as a result of drops in OPEC output.
The biggest decline in January

was by the United Arab Emirates.

Société Générale de Belgique, on Sunday raised his public offer for a further 15 percent

Cerus, Mr. de Benedetti's French holding

company, said in a statement that it had raised its offer by 600 Belgian francs (\$17) to

4,000 Belgian francs a share.

Mr. de Benedetti, the chief executive of

Italy's Olivetti SpA, also served notice to the

Belgian Banking Commission that he would

not accept any further delay in obtaining

pensable that the Banking Commission gives its go-ahead without further delay," the

It said that Cerus reserved the right to act

freely on all levels to realize its project if the Banking Commission failed to oblige. Cerus controls about 13 percent of Générale's new-

ly diluted share capital, or about 18.6 percent

Cerus made clear that it was now indis-

approval for the offer.

stake in Belgium's largest company.

Compagnie Européennes Réunies,

Vuitton: Tapping a Yen for Prestige

By Nancy Beth Jackson and Charles D. Sherman

PARIS - A decade ago, Andre Sacau, now president of Louis Vuitton Malletier, decided to hurdle Japanese trade barriers by appealing directly to the con-sumer. Today, the signature of the 100-year-old luggage company is the ubiquitous badge of membership in Japan's image-and quality-conscious middle

Sales are thriving, says Mr. Sacau, who points to an annual growth rate of 30 percent in Ja-

In 1987, Vuitton sold the Japanese 501 million francs (\$88 million) in pricey plastic and leather wallets, handbags, briefcases, checkbook folders and key holders, or 20 percent of the luggage division's total revenues. Profits last year in Japan are expected to be between 70 million and 75 million francs, up from 54 million

On top of that, sales in the Pacific region, credited mainly to bargain-seeking Japanese tourists in Hong Kong, Guam, South Ko-rea and Singapore, have soared 80 percent, making the area Vuit-ton's fastest-growing market.

In Paris, the company's flagship store on the Avenue Marceau, just off the Champs Elysées. ranks close behind the Eiftel Tower as a stop for visiting Japanese. Half of all foreign customers at the shop are Japanese, company executives estimate.

It was the influx of Japanese at the Marceau store in the early 1970s that made Vuitton executives begin rethinking their Japanese sales strategy. At first, the executives regard-

ed the new clients in Paris as a curiosity: pilgrim consumers who, after buying a small item, would then record their visit with photographs of themselves and their shopping bags in front of Mr. Sacau, who was hired as a

managing director in 1978, made a priority of reinforcing Vuitton's image among the Japanese. Until then, Vuitton had done little to attract Japanese interest

ter where they were located.
"In the field of luxury items

in their home country, limiting its effort to token wholesaling to To-kyo department stores, where

Vuitton goods were lumped on the shelves with other luxury

items such as perfumes and cos-

ton's sales in Japan nearly qua-

drupled: from a little over 1 bil-

lion yen (\$7.8 million at current

rates) a year to just under 4 bil-lion. But in Mr. Sacau's view,

Vuitton's Japan operations had

to be independent, handling pro-

motion and retail sales through

wholly-owned operations no mat-

mendation by the Banking Commission that his offer until the voting rights issue was all parties involved in the takeover battle resolved in the courts.

De Beneditti, Refusing to Give In, Raises Générale Offer

This appeared to be a thinly veiled threat

to resume purchases of Societe Générale

shares on and off the bourse despite a recom-

The move follows a controversial record-

breaking buying spree on Tuesday by the

French group Compagnie Financière de

Mr. de Benedetti filed suit on Thursday

investment bank Lazard Frères & Compag-

nie, the industrial giant Compagnie Générale d'Electricité and the water utility Lyonnaise

des Eaux SA, Suez is believed to control

The board of Société Générale, a sprawling conglomerate which dominates key sec-

tors of Belgium's economy, has welcomed

Suez's move since its 43 percent capital in-

nearly 20 percent in Société Générale.

Suez, which purchased a 10 percent stake

alleging those transactions were illegal. Together with three French allies - the

refrain from such transactions.

ment store boutiques began to expire, Mr. Sacan established a Vuitton subsidiary in Japan. But

you must direct it yourself and

sell directly to the consumer," he said. "That means you're obliged

As the contracts on the depart-

André Sacau, president of Louis Vuitton Malletier and the main author of its success in Japan.

Its signature has become a badge of

membership in Japan's image- and

10 retail."

ing rights.
The Banking Commission on Tuesday de-layed its decision on Mr. de Benedetti's pub-

Suez took advantage of the delay and stepped in as a "white knight" the same night, buying more than 4 million shares for as much as 4,000 francs each.

tween Mr. de Benedetti and André Levsen.

the chairman of the Belgian holding compa-

ny, Gevaert NV who leads a consortium with

an option to buy 10 million of the new shares

in Société Générale on condition that their

Mr. Leysen shares Mr. de Benedetti's vi-

sion of making "la Générale" a pan-Europe-

an holding company ready to cash in on the

free internal market the European Commu-

But he has pledged to keep control of the

After a two-hour meeting at a West Ger-

voting rights are restored.

nity plans to establish by 1992.

166-year-old company in Belgium.

The move led to intensified contacts be-

quality-conscious middle class.

initial problem was staff. "It is

difficult for a new company to hire good people," Mr. Sacan said. "The Japanese like to have

confidence in a company as they

The Vuitton solution was to

borrow everyone from sales

clerks to executives from cooper-

ating enterprises and then con-

vince them to stay with the new operation, Louis Vuitton Japan KK.

In a country renowned for its

lifetime job guarantees, bright Japanese executives rarely jump

off their career tracks -- especial-

ly to move to a foreign company.

But after two years and a good

deal of inducement, many Japa-

nese employees decided to stay

on. The staff is entirely Japanese.

English serves as the common

language with the parent compa-

ny, but the Japanese employees

Mr. Sacau said Vuitton has

passed along some of the benefits

by lowering prices. But the 12

See VUITTON, Page 13

lead to a definitive solution."

Financière de Paribas, a Suez rival that indi-

the Gevaert group and analysts said say its

entry into the open battle could herald a major

Brussels bourse officially opened, but closed

at 3,750 francs, 100 below Thursday's finish.

Trading in Generale's shares has hit re-

lion shares traded on the bourse, and the

that the bidding war would push prices even

shakeup in the French business world itself.

rectly holds a large stake in Gevaert.

Paribas is also believed to be a member of

have begun to speak French.

The company convinced sever-al major Japanese department stores to set up specially designed how could the new company sur-vive with Japan's labyrinthine distribution system, with a midboutiques that would carry only Vuitton products. The stores still dleman at every turn? controlled retailing.
Between 1978 and 1981, Vuit-

Vuitton simply ignored it. The subsidiary handles everything from importing to the management of individual shops. Vuitton now controls retailing in its department store boutiques and also has opened two independent shops, the first in the middle of the fashionable Ginza shopping area. The company operates 15

Despite the rapid growth, the company did meet obstacles. An

Agrees to Sell Post \$37 Million Deal

Murdoch

Is Tied to Major Union Give-Backs

Compiled by Our Staff From Disputches NEW YORK - Rupert Murdoch agreed Sunday to sell the New York Post to a property developer for \$37 million provided that unions at the newspaper agree to major concessions.

"I have today sold the New York Post, Mr. Muruoch said in a statement. He said it was the best decision for both the future of the newspaper and for the security of our work force and their families."

The buyer was identified as Peter S. Kalikow, 44, president of H.J. Kalikow & Co. He owns about a dozen buildings in Manhattan and has a fortune estimated at \$500 million, but he has no publishing experience.

Howard Rubenstein, a spokesman for both sides, said the purchase price of the newspaper was \$37 million.

The sale is conditional on the

agreement of all the unions involved accepting a sweeping cost reduction plan," Mr. Rubenstein

Mr. Murdoch is under pressure to sell the Post because a Federal Communications Commission rule bars ownership of a newspaper and a television station in the same city.

Mr. Murdoch also owns WNYW-TV in New York. He faces a similar divestment

choice in Boston, where he owns the Boston Herald and Channel 25. Mr. Murdoch said he decided to sell the paper, New York's oldest continuously published daily, to the bidder "most likely be able to give the post a further substantial lease on life."

Operating losses at the newspaper have been estimated by analysts at \$17 million a year. "If the contingencies are not met," Mr. Rubenstein said, "Mr.

Kalikow will be under no obligation to buy the Post." The FCC is barred, under a law

passed late last year, from extending waivers that Mr. Murdoch has The newspaper's staff was told

Reuters

said on Belgian television: "We are here for BRUSSFIS—Carlo de Benedetti, fighting ages and ages. We have more money if it is pretain momentum in his bid for control of pretain momentum in his bid for control of the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their vot-lish the daily at its present plant for the stripping 12 million new shares of their at least three years.

In addition, Mr. Murdoch, who According to banking sources in Paris, has not broken off talks with other Mr. de Benedetti has already sought support prospective buyers, was said to have insisted on a 30-day period in from the French financial group, Compagnie which he could back out if he received a better offer.

George E. McDonald, president of the Allied Printing Trades Council, an umbrella group of newspa-In hertic Friday trading, Générale's stock per unions, said that the labor leadprice reached 4,000 francs a share before the ers were "certainly willing" to discuss cuts to save the paper and

its 1,200 jobs.
But Joy Cook, chairwoman of cord levels this week, including Tuesday, the Post's biggest union, the Newswhen 4 million shares, or 14 percent, of its paper Guild, said the buyer should stock changed hands in the extremely unusu- not expect the unions to agree to al after-hours trading. On Wednesday, 2 mil- major give-backs.

Mr. Murdoch, the owner of a price rose 7.5 percent, as investors, betting worldwide publishing empire,

News Corp., bought the Post in higher, sought to buy in. On Thursday, prices 1976 for about \$30 million. (Reuters, NYT. AP)

crease - designed to thwart Mr. de Benedet-Alain Minc, the chief executive at Cerus, ti's hostile bid - ran into legal difficulties. **Currency Rates** Legal Battle Is Seen

Over Texas Air Move

Shuttle Purchase Pressures Unions

and Frank Swoboda Washington Post Service

WASHINGTON - Texas Air Corp.'s decision to buy the profitable Eastern Air Shuttle from its Eastern Airlines subsidiary and run it as a separate unit appears certain to touch off a

major legal battle with unions. Union officials and analysts said the move appeared to be part of a pattern of removing profitable assets from Eastern and was designed to step up the pressure for wage concessions by the carrier's unions. Frank A. Lorenzo, Texas Air's

chairman, has warned reneatedly that Eastern's assets would be sold or transferred unless the union made concessions. Texas Air has been seeking

substantial cuts from the International Assocation of Machinists and Aerospace Workers, which represents about 13,000 of Eastern's 30,000 workers. Removing the shuttle would make Eastern less profitable and enable its management to present a stronger case for concessions.

The move, announced Friday, came as Texas Air also announced massive fourth-quarter losses of \$265.6 million. Texas Air is also the parent of Continental Airlines.

Jack Bavis, chairman of the

pilot's union at Eastern, called the sale an "outrage" and said it would not go unchallenged. Charles Bryan, head of the Eastern's machinists local, said he had expected the announce-

ment, "What they're trying to do

By Martha M. Hamilton is bust up the airline," he said. The machinists' contract with Eastern expired at midnight Dec. 31. The two sides have not met in negotiations since Nov.

> Since acquiring Eastern in 1986, Texas Air has laid off more than 15 percent of Eastern's work force. Texas Air said it would pay

Eastern \$225 million, including \$125 million in cash, for the shuttle, which provides hourly flights between New York and Boston and Washington.
The sale requires federal regu-

latory approval. The unit will be renamed the Air Shuttle. Miami-based Eastern has already sold its computer reserva-tion system to Texas Air and has

applied for permission to let Continental Airlines operate some of Eastern's valuable routes to Latin America. The reservation system had been widely regarded as the main reason that Texas Air had sought to buy Eastern. "First of all, it comes to my

mind that what Texas Air is doing here is stripping Eastern of all its good assets and bringing them into the parent corpora-tion," said Paul P. Karos of L.F. Rothschild Inc. Mr. Lorenzo is known for his

tough stand against unions. In 1983 he filed for bankuptcy protection for Continental Airlines. which Texas Air had bought in 1981. He then repudiated union contracts and rehired many of the employees at much lower wages, making Continental a

Congress Is Divided on Pace of Stocks Reform

rose another 7.2 percent.

seem to agree on broad issues, there is sharp disagreement on the mea-sures needed to prevent another the turf war between the SEC and

sound market system.

Four days of hearings last week Committees in both houses, which by the Senate Banking Committee oversee the CFTC, do not want the provided a good preview of the debate to come.

the New York stock market with the Chicago futures market, and fear that if the SEC regulated both the U.S. markets with markets in markets, it would side with the Europe and Asia. Market move- stock exchanges in any conflict. ments that once took weeks to play out can now happen in hours or

must be more coordination among nism to provide for better commuthe exchanges and among U.S. reg-nication and cooperation. There is ulators, the Securities and Exchange Commission, the Commodity Futures Trading Commission and the Federal Reserve Board, the exchanges can work out among and eventually international coordination.

But the argument is over how to Republican of New York; Alan J. achieve those goals.

mire, a Democrat of Wisconsin, those urging caution. and Senator Donald W. Riegle Jr., a Democrat of Michigan, chairman should be careful not kill the goose of the securities subcommittee, are that laid the golden egg, causing it pushing for what Mr. Riegle called to fly overseas where regulation is more direct, centralized account- looser.

Nicholas F. Brady, recommends giving the Federal Reserve Board that role. The SEC says it, not the Fed, should regulate stocks and stock-related futures.

WASHINGTON - While Greenspan, the Fed's chairman, to the veto power held by competing members of Congress investigating become an overarching regulator interest groups could kill hope for October's stock market debacle appears to have killed Mr. Brady's restructuring. recommendation.

the CFTC, a fight the commodities Although some say urgent re-form is needed, others believe hasty tinkering could harm a basically

Members of the Agriculture agency to cede any jurisdiction to the SEC, which is overseen by the There is general agreement that Banking Committee in the Senate computer and telecommunications and the Energy and Commerce technology has inextricably linked Committee in the House.

Officials of futures exchanges The futures exchanges and the commodities commission are re-

even minutes.

Sisting any restructuring greater than some sort of formal mechasubstantial sentiment, particularly from Republicans on the Senate committee, for waiting to see what themselves. Senators Alfonse M. D'Amato, a

Dixon, Democrat of Illinois, and The chairman of the Senate Phil Gramm, Republican of Texas. Banking Committee, William Prox. have been among the most vocal of

Mr. Gramm says that Congress

Even some who in principle fa-A presidential task force headed vor concentrating more power in by a former New Jersey senator, one agency fear that a jurisdictional fight could derail even the reforms that everyone can agree on. Senator Timothy E. Wirth, a Democrat of Colorado, a strong proponent of a more unified regu-

The refusal last week by Alan latory system, said he feared that regulators a series of deadlines for

some sort of "phased mechanism that would give the exchanges and

However, Mr. Proxmire asked

structuring the exchanges and regulatory agen-He proposed that Congress enact cles to submit proposals for legisla-

See STOCKS, Page 15

International Standards Needed, Some Analysts Say

LONDON - As financial centers around the world prepare individual reports on October's stock market collapse, analysts and officials say that in the long term, more closely coordinated international standards are needed

Some countries are debating major changes such as "circuit breakers" to limit share price movements, while others are content with their present system. But the president of the Swiss National Bank, Pierre Languetin,

said that closer international ties between markets demanded a wider approach to their control than merely national regulation. "I have some doubts about the ability of market participants to regulate themselves in a world where new financial instruments —

massive takeovers, junk bonds — have only a remote connection with the real needs of economies and are simply toys to make money in speculators' hands." he said. Dennis Coleman, a managing director at Wall Street brokers Bear,

Stearns & Co. said that, while many financiers were concerned about excess volatility, some wondered whether it was possible to legislate volatility out of the markets.

Meanwhile, a report by the London Stock Exchange on the London markets' performance during the crash is due out on Wednesday. Stock exchange sources said it is unlikely to call for profound changes, such as limits on share-price movements.

The chairman of the exchange, Sir Nicholas Goodison, has said

such measures are not appropriate in London, with its system of continuous, competitive screen-based quotations of share prices. But government officials have suggested they were informally reviewing international experience with such measures.

Tokyo already has rules to keep share prices from moving too fast. limiting individual stock prices to daily rises or falls of between 15 percent and 17 percent. A Tokyo Stock Exchange official said Tokyo

has no plans for further restrictions. In Paris, trading is already temporarily suspended if a stock price moves excessively, but there is no fixed limit. A government study of regulation of the Paris Bourse is due at the end of this month.



Cross Rates

1,7555 ---1,244,46 2,193,75

Cierrency Per s
Arpen, cestion | 479
Anstruct | 479
Anstruct | 4865
Austructal | 1,90
Bettell cruz. | 1,50
Bettell

78-day 45-day 98-day 1,7420 1,7325 1,7340 128,70 128,41 728,15 1,4845 1,4853 1,4850

Jon. 29 Clime

1.952.22 -- 244 %

19002 — 1,77 % 764.29 — 0,75 %

2676 -314%

257.07 -- 2.38 %

293.70 -246 % 144.13 -1.93 %

1,290,80 -- 2.96 % 1,435,70 -- 3.37 %

23.622.32 + 0.12 %

1,207.90 + 4,29 %

Last Week's Markets

All figures are as of close of trading Friday

United States

Prime rate

Discount

Coll money

3-month interbank

West Germany

3-month Interboni

Lombord

Japan

Discount rate

Forward Bates

1.910.48

751.57

238.04 250.96

3,737,20

£712 128-35 1,2843

615 890 4,430

1,190 1,650 611

870 1.710

umbers of entrepreneus ber

oded earnings at small business in recent years, Mr. Robbin

aintains. Also, he points to fr

pility of larger firms to min our

Another important (actor on-

ibuting to poor small-company

ock performance is excess min-

al capacity spawned by a she sh economy. "This drives on-

mies to look for new areas &

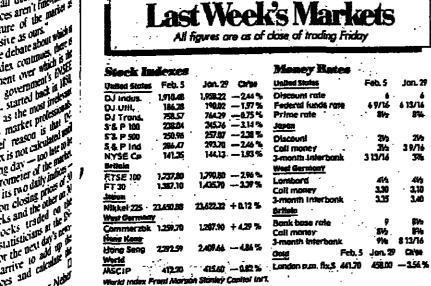
mpete in and makes thing ugher for the small firms," k

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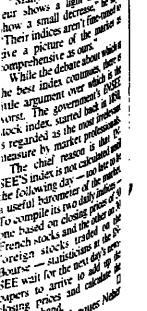
it from their operations.

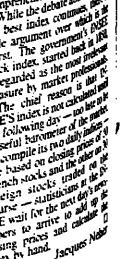
In contrast, statisticans do alculate the Agefi index, ished by the Paris-based funds

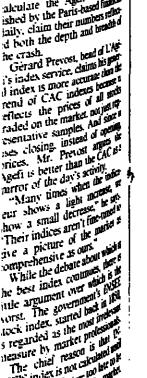
rend of CAC indexes beared raded on the market notified esentative samples. And some ises closing instead of opening instead of opening

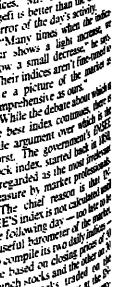


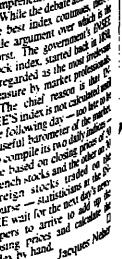
ne argument verments in the cores. The governments in the cores. The governments in the cores, index started has index streamed as the most measure by market professions. The chief reason is that in the following day not the market professions as useful harometer of the market particular that harometer of the market particular to compile its two daily mines as stocks and the death of the core is a stocks and the death of core is a stocks and the death of core is a stocks and the death of core is a stock and the death of co

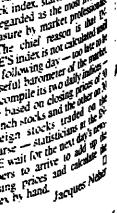


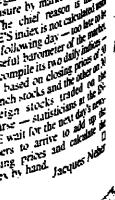




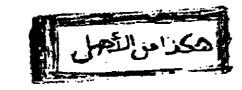








Page 13



Answer

William Safire HINGTON - Why HINGTON — Why or corge Bush consection of the atmeter to the resiston? Why does he reper the resiston of the r king the press for day dential relationship w answered everything? b Dole keeps rev stions just won't go are, or put the issue to rea or all with a single, draw, draw, then the present the street of ise it is not that cary, indeed by g the inherent committee ory may be impossible it tempt to deal with the & his imprisonment

us assume for argument at the CIA chief at the Re Casey, discussed with sident, who is a former Que the vexing problem far elligence a lew years ago! of the CIA station chief William Buckley. concern here went beg ssion. Honor among spoi o involved: The world of s a nation to strain to get in tured agents with tade. Moreover, our man was in of our entire network in East, so getting him on to of national security.

us assume further that there ling with Iran, put forward nal security aides, Robrlane and John Poindene suched in stark terms of ac stages. In the real world, R nd to slip around such as this could be presented f dealing with influential in ries, not as paying ranson tual terrorist kidnappers d so the colossal mis ich Mr. Bush was probabi 1, went ahead. When prese indings had to be signed: ar came up before the Name

ity Council, where the some State and defense were les: erret. At one meeting at len: 7, 1986, they expressed uses and strong disagreement. nat did the vice presidents s a legitimate question to re 🐔 ants have been released by an to say what was advised re former defense secreny, Weinberger, is saying notin arrass Mr. Bush Secretary - 3 George Shultz, howeve, & o tell the truth from the start ils that the vice presides: a, that the secretaries of state nse were outspoken in 📭 , and that "my impression the others had a different Ow we come to what make ming so difficult for Mr. Bust ne hostage of his past states. le thought it would be sale mirst only that he "supports. adent's decision," but the: i intimated that he was to 1 it afterward, not before hen he said that he cape givings," to give the impressed been sort of on the side of osing the deal; in fact, it tonks was "out of the loop," deliber

t the key reservation was a ling through the Israelis Tis third line of defense es: huded from key meetings at sumably he would have de direction of events. My for ince to see the picture as I'd in't come until December ! en the whole world ince. Another approach case # alled his feelings about the ed station chief, but that mit t with the out-of-the loop de Put yourself in George oes now. You cannot so but say what you have sed as mitting cover-up, so that nu cannot wholly rely on vos. emory about what you said as gs, because in real life pages, and contradictory of a serial may yet surface of a contradictory of a contra remembering otherwise. Admit that you were being r. Reagan's greatest blands

ditical suicide.
That leaves you blasting the r daring to ask, and details struction of confidentially assigns between the present ce president on when ends breach that confidential id told him privately, Which is why George has ge to past evasions, s up ugh it out. That's all he case. The New York Times YEARS AGO

one or both of these distance one or both of these infinity edical service to the infinity eds reorganization. The service in numbers, inadequate nion, uncertain authority organization, the service organization, the service organization the service of the eneral's report shows indicate in the second state of the second shows in the second shows in the second shows in the second sec indicaps can be overcome 938: Franco is West

938: Franco Is Was
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ONDON — Foreign Sortes
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New International Bond Issues

			-			Desvilettes
Issuer	Amount (millions)	Mat.	Coup %	Price	Price end week	Terms
FLOATING RATE NO	TES		-			
Fighter	\$ 60	1993	0.24	. 100,10		Over 6-month Libor. Noncollable. Fees 0.15%. Denomin tons \$100,000.
Jawei III	\$150	_1993	0.23	100.10		Over 6-month Libor, Noncolloble, Fees 0.13%, Denomin flows \$100,000.
FDCED-COUPON		· ·				
Cosse Notionale des Télécommunications	\$160	1993	81/2	1011	100.15	Noscalable, Fees 1%%,
Dutch State Mines	\$100	1991	-8%	10114	· _ ·	Noncollobie. Fees 199%.
New, Zealand	- \$760	1993	81/2	101%	99.50	Nancofoble. Fees 1%%. Decominations \$10,000.
Toyota Motor Finance	\$200	1991	8	101%	99.88	Noncollable, Fees 199%.
(Yokia	DM 250	1993	. 51/4	100%	98.88	Noncolloble, Faes 2%
Commonwealth Bank Australia	£.50	1993	9%	101%	98,00	Noncaliable. Fees 1%%.
Maria & Spencer Finance	€ 150	1993	9%	101%	99.38	Noncallable, Fees 1%%.
Woolwich Equitable Building Society	€.50	1993	10%	101%	99.75	Noncollable. Faes 199%.
Notionale Investeringsbank	DF 150	1993	5%	1001/2	99,25	NoncoBoble, Faes 197%.
Crédit Local de France CAECL	C3.75	1995	1016	1011	99.00	Noncollable. Fees 194%.
General Trustco of Canada	G 75	1993	10%	101%	99.38	Noncollable, Fees 1%%,
BM Canada	Cs 200	1993	9%	100%	98.88	Noncollable. Fees 1%%.
Montreol Trustco	C3.75	1993	10	1011/4	99.25	Noncollable, Fees 175%
Desterreichische Kontrollbank	ci 100	1993	9%	101%		Nancallable, Fees 116%.
BP Capital	Ass 75	1992	12%	10114	99.25	Noncollable, Fees 192%,
Compagnie Bancaire	Aus 50	1993	13%	101%	99.63	Noncollable, Fees 2%.
Ford Credit Australia	Aus\$ 50	1993	13	1011/2	99.63	Noncollobie. Fees 2%.
Société Générale	Aut\$ 75	1992	13	101%	99.88	Noncellable. Fees 1%%.
Toronto Dominion Australia	Aud 50	1992	13	101%	99.88	Noncollable. Fees 144%.
Australian Felecommunications Commission	Y 10,000	1998	5%	10114	99.25	Noncofable. Fees 2%.
EQUITY-LINKED						
Dai Ichi Seiyaku	\$150	1993	open	100	108.50	Coupon indicated at 5%. Noncollable, Each \$5,000 note with one warrant exercisable into company's shares at an expect ad 219% premium, Fee: 21/6%. Terms to be set Feb. 9.
Down Fire & Morine Insurance	\$70	1993	open	100	104.00	Coupon indicated at 5%, Noncollable, Each \$5,000 note we one warrant exercisable into company's shares at an expect at 25% premsum, Fees 21%. Terms to be set Feb. 9.
Mitsui Petrochemical	\$150	1993	open	100	110.00	Coupon indicated at 5%. Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an exper
Nonkoi Electric Railway	\$100	1993	5	100	102.00	ed 2½% premium, Fees 2½%. Terms to be set Feb. 9. Noncollable. Each \$5,000 note with one warrant exercisely into company's shares at 1,253 year per share and at 128.
Nishi-Nippon Bank	\$70	2003	open	100	97.50	yen per dollar. Fees 24%. Sensionnuol coupon indicated at 29%. Noncollable. Convertible at a superior 5% premium. Fees 24%. Terms to be s
Nissan Motor	\$500	1993	5	100	104.00	Feb. 10. Nancallable. Each \$10,000 note with one warrant exerci
Osaka Gas	\$100	1993	4%	100	105.50	oble into company's shares at 790 yen per share and 128,95 yen per dollar. Fees 24%. Noncallable, Each \$5,000 note with one warrant exercisable.
	·	:	: .		:	into company's shares at 552 year per share and at 129.3 yen per dollar, Fees 24%.
Shimadzu	\$120	1993	. 4%	100	10400	Noncollable. Each \$5,000 note with one warrant exercisable

one warrant exercisable into company's shares at an expected 21/2% premium. Fees 21/2%. Terms to be set Feb. 9. DM 70 1994 open 100 101.75 Semionnucl coupon indicated at 11%. Redeemable at 110 in 1993. Convertible at an expected 5% premium. Fees 214%. Terms to be set Feb. 9. Nichiei Construction

\$150__ 1993 _ 5 _ 100

(Continued from first finance page) lar issues is that they ended the week trading within the underwrit-ing fees. But that was largely easy time being placed as it was Dai-Ichi Seiyako, a high-tech pharpriced to yield 75 basis points over maceutical company whose \$150 thanks to the market rally following release of the employment data. Nevertheless, two issues were well received: Triple-A rated

mand for straight Eurodollar bonds, the market for dollar bonds bearing warrants to purchase shares in Japanese companies was quite buoyant. So buoyant, in fact, that coupon levels were cut from the 5 percent that had been indicat-

vield 80 basis points over the base Leading the rate cuts was Shi-madzu. The construction company rate. A basis point equals one-hundredth of a percentage point.

Toyota's \$200 million of threeyear notes, less the full commissions, was priced to yield 54 basis 4% percent. Nevertheless, it ended very large size, \$500 million, and
the fact that the export-led auto
industry is not a current favorite
with international investors.

points over comparably dated U.S. Treasury paper and was mostly placed with Japanese investors.

Double-A New Zealand had a less

One of the hottest issues is the

The Feet in most all of the coupon setting.

One of the hottest issues is the

103.00 Noncollable. Each \$5,000 note with one warrant exercisable into company's shares of 1,333 year per share and of 129.65

1993 open 100 102.25 Coupon indicated at 5%. Noncallable. Each \$5,000 note with

one warrant exercisable into company's shares at an expect-ed 29% premium. Fees 296%. Terms to be set Feb. 10.

the curve, a level deemed too million, five-year notes ended the ly to act quickly to cut some inter-said. week trading at a when-issued price In contrast to the limited de- of 108. Analysts expect the coupon will be fixed at 4% percent when the final terms are set Tuesday.

However, bankers do not expect to see a replay of the competitive coupon cuts that helped to damage this sector of the bond market last year. They note, for example, that Nissan Motor held its coupon at 5 percent. This reflected both the very large size, \$500 million, and

Loan Fees Aren't Rising, Banks Find

Caisse Nationale des Télécommun-

ications's \$160 million of five-year paper offered, less the commis-

Treasuries; and government-

owned (but not guaranteed) Dutch State Mines, whose \$100 million of

three-year notes were priced to

ms, to yield 67 basis points over

Sumitomo Metal

Tokai Electrica

Toyo Wharf &

Construction

ome of business arranged in the fee for placing that paper. ster) and international credit market this "What can I say?" asked one Canada. year, their prediction that charges banker who had been insisting that Union Electrica-Fenosa SA, one to be wildly optimistic.

Takeover mancing bankers had starved for assets."
been predicting would be the real. The reason they way for banks to charge what they coness.

mand and command very fine million. Greek officials say that the new deals continue to be marketed

market sources reported that the its net debt. annual facility (ee of 5 basis points, status. The last borrowing also for arrange a a five-year facility of 750 annual facility fee of 5 basis points, stains. The last borrowing also borrowing and a cight years, carried an evenly divid-or 6.5 percentage point, and a cight years, carried an evenly divid-drawing charge of 10 basis points of 12 to 16 percent over the London interbank offered age point over Libor. In the current over the first year and 1216 basis loan, the 16 point element runs for the first year and 1216 basis. rate for the first year and 121/2 basis loan, the 1/2 point element runs for

points for the final two years.

six years, rising to 1/2 point in the points and the drawing charge is set at 12½ basis points over the Paris

needed to finance its takeover of ness banks ought to be making and front-end fees ranging up to 20 money on. Banks are obviously basis points.

the need for speed and discretion also in Europe, are either running billion of its foreign currency debt.

were seen making the question of down their exposure to the banks In the French market, bankers cost almost irrelevant, opening the or not increasing their net indebt-

Not so. As Kodak demonstrated, gory is Greece, which is seeking to loaded up on participations and are quality borrowers continue to deraise an eight-year loan of \$350 becoming more selective. However, comes. It is aimed at stretching out the with no increase, as yet, in lending maturity profile of its debt and that terms. confirmation of the conditions, there will be no increase this year in

was intense bidding among banks The 11 banks mandated to ar- interbank rate, or Pibor, for drawto win the mandate to arrange the range the loan include two Americans ings in francs or 6 basis points over credit. Bankers Trust won. Kodak cans (Chase Manhattan, First Chi-Libor for foreign currency borrowreportedly is paying no fees to the cago), four Japanese (Dai-Ichi ings.

By Carl Gewirtz banks, but in lieu of that, Bankers Kangyo, Bank of Tokyo, Fuji and Sumitomo), two from the Mideast PARIS — While it remains to be the sale of commercial paper that cen whether bankers are correct in may be issued to replace drawing ternational Bank), two Europeans seen whether bankers are correct in may be issued to replace drawing ternational Bank), two Europeans forecasting an increase in the vol- on the loan. The bank would carn a (Dresdner and National Westminster) and Otion Royal Bank of

year, their prenction that charges trained will also increase already appears loan charges were destined to rise. of Spain's largest electric utility to be wildly optimistic. This was made clear last week INTERNATIONAL CREDIT ment Bank to a \$200 million, eightwhen Eastman Kodak Co. came to This is obviously the sort of busi- over Libor to draw on the credit

se noted that this is the first The reason they are starved is Eurocurrency syndication of a new ly profitable business. The large that many former heavy borrowers, money facility for Fenosa since amounts of each to be raised and particularly in Southeast Asia but 1984. Since then it has prepaid \$1.2

report that it is becoming increasingly difficult to syndicate multi-The latest entrant into this cate- option facilities, as banks have

Compagnie Française de l'Afrique Occidentale, a trading compathree-year credit would carry an The terms reflect this changed my, appointed Credit Lyonnais to

Soviet Official Cites Progress in Joint Ventures

Economic Relations, is a major figure in Moscow's drive to open the Soviet economy to foreign trade and investment. Last week he gave a progress report to the World Economic Forum in Davos, Switzerland, where he talked to Reginald Dale, economics correspondent for the International Herald Tribune.

Q. Western companies still appear to be slow to respond to your invitation to set up joint ventures with Soviet enterprises. Do they need further inducements?

A. It is up to every company to judge to what extent it is interested in entering our market and operating in the Soviet Union. From our point of view, we have enacted legislation that creates a balance between guarantees and incentives to foreign compa-nies and benefits for the Soviet Union. We have recently amended that legislation to make it more flexible.

have had enough offers. Q. How many offers have you had?

A. We have had more than 260 offers, which is quite enough for the moment. Approximately 50 percent of those offers may fit our requirements.

We have now signed more than 40 declarations of intent with foreign partners. And we have established 18 joint ventures with be decided by the partners.

Ivan Ivanov, vice chairman of the companies from West Germany, Italy, Soviet State Commission for Foreign France, Japan, Sweden, Finland, the United States, Canada, India and Switzerland.

Q. What sort of items will these joint

ventures produce? A. The products range from consumer goods, such as shoes and women's dresses,

MONDAY O&A

to petrochemicals, machinery and fertilizers.

Q. How have you made the legislation more (lexible?

A. We have taken a number of steps including decentralizing authority for setting up certain joint ventures and relaxing the rule requiring that profits can only be repatriated up to an amount equivalent to the joint venture's foreign currency earn-

Now, if there is not enough foreign currency to cover the remittance of profits, the foreign partners may spend part of the profits in the Soviet Union to buy any product I can agree that some corporations per-thaps still feel that the benefits of joint ven-tures are not adequate or sufficient. But we And while operating in the Soviet Union, the joint venture may use both rubles and other agreed currencies.

Q. Are you weighing further changes?

A. We can't amend our legislation every year. We prefer to create a stable and predictable environment for foreign investment in our country. Our law is, in any case, slation, which leaves a lot to

Western companies that they are still frustrated by excessive bureaucracy in their dealings with the Soviet Union?

A. I have heard this accusation for many years. I think we have made progress in simplifying the process of decision-taking in the area of foreign trade. For example, we have reduced personnel in the Ministry of Foreign Trade by 30 percent over the past year, and there will be a further 20 percent cut as the ministry is merged with the Commission for Foreign Economic Relations. These staff cuts are being decided on the basis of people's efficiency, not their politi-

Q. One of the most important reasons given for the joint ventures is to acquire advanced technology from the West. How do you feel about the export controls on sensitive technology imposed by the Parisbased COCOM organization (Coordinating Committee for Multilateral Export Con-trols, composed of the NATO countries minus Iceland, plus Japan), which the Unit-ed States is constantly trying to strengthen?

A. They are a barrier to our acquiring advanced technology and a range of prod-ucts from the West. The COCOM list of restricted products is not properly justified as it covers dual-purpose items, which can be used both for civil and military purposes. With the progress of technology, more and

more goods are in this category.

We have many products for export that are included in the COCOM list. But we 1990s.

Q. How do you respond to complaints by don't care how our tivanium, for example, is used when we sell it abroad. Of course, this is a matter for the COCOM countries. But we would be glad of (a) stability and (b) transparency. Right now we have neither. The list is neither publicly available nor

predictable Our strategic line in this area is to make our country stronger in terms of technological progress. If we succeed, in a few years the COCOM list will become obsolete, and Western countries will be interested in buying our technology.

Q. More generally, how is the restructur-ing of the Soviet economy coming along? A. It is generally proceeding according to schedule. But we still have some problems to solve and they are major ones. I am thinking of price reform and the promotion of contracts for wholesale trade between enterprises, rather than through government orders.

The whole concept of price reform is still under discussion, but it must be decided by next year, because we want to include the new prices in the next five-year plan. The current system is based on 20-year-old prices, which must be updated to reflect the real cost of production.

O. How do you react to Western skepticism about your aim of making the ruble convertible into other currencies by the second half of the 1990s?

GM Pledges

Stable Prices

For Rest of '88

SAN FRANCISCO

General Motors Corp. says it

will not raise car or truck

prices for the rest of the 1988

GM's chairman, Roger B.

Smith, made the announce-

ment at the convention of the

National Automobile Dealers

Association in San Francisco

Traditionally, automakers

raise prices on April 1, on top

of price increases amounced

when the model year begins in

October. In past years, GM

has frozen prices on some cars

GM has seen its share of the

U.S. car market drop to

around 38 percent in the past

two years from about 46 per-

Although GM and other

automakers recorded strong

sales in January, analysts pre-

dict industry sales in 1988 will fall by about 1 million units

from 1987, when 15 million

cars and trucks were sold in

but increased them on others.

A. I still think it is realistic to aim for full convertibility of the ruble by the end of the

model year.

on Saturday.

cent in 1985.

the United States.

AT&T, in Turnabout, Outperforms 'Baby Bells'

By Phillip H. Wiggins New York Times Service

phone & Telegraph Co., the origi-nal "Ma Bell," is now outperform-varied strategies of diversification. ing the seven operating companies formed by its 1984 breakup.

the fourth quarter of 1987.

For their part, the seven "Baby AT&T's profits were bolstered carnings growth.

Six of the seven chalked up inand from 3 percent to 9.3 percent ments for long-term for the full year. Only Pacific Telesis Group, which was hurt by ex-traordinary charges, showed de-reflected the one-time expenses of quarter and the year.

Although the prognosis for the Baby Bells appears to be one of

Co., said: "The Bell operating com- certain properties from Metrome- has relied heavily on Vuitton's to 20 percent. nies have been favorably posi- dia Inc. tioned by judicial fiat to control Ameritech Corp. said its revenue regional communications, data growth was bolstered by such un-transmission and on-premises ser-regulated operations as its publishvices, which have translated into a ing cellular and credit subsidiaries. constant level of rising revenues, Ameritech's earnings were restated earnings and cash flows."

He added, however, that the Dec. 31, 1986.

tering, economists say.

The U.S. Federal Reserve's po-

While some economists see the

committee voting to ease credit

nomics for the National Council of

acts too quickly to lower interest

rates without clear signs of an eco-

nomic slowdown, it could mean

problems for the dollar, Mr. Rega-

"It could drop very sharply," he

On the other hand, if signs of a

sharp slowdown in growth develop, the Fed will still have enough time

to act to avoid recession, he said.

mist with Fidelity Bank in Phila-delphia, predicted that the Fed

Shell Weighs Bid

For Texaco Assets

CHICAGO - John F. Bookout,

president of Shell Oil Co., says

Shell may be interested in acquir

ing some Texaco Inc. assets if they

fit into Shell's long-term strategy of

developing its offshore reserves and its enhanced oil recovery oper-

"We're always interested in ac-

quiring assets that other companies

are prepared to dispose of it, in our

opinion, they fit our strategy and

we can make more out of them, Mr.

Mr. Bookout ruled out any hos-

tile takeover attempts of Texaco,

which is in the midst of a bankrups-

cy restructuring after a court battle with Pennzoil Co. Texaco has an-

nounced it will sell \$3 billion in

assets, including 60 million barrels

Bookout said late Friday.

But Mickey Levy, senior econo-

If the Fed, the U.S. central bank,

and Wednesday.

Savines Institutions.

Federal Communications Commis-

For example, BellSouth Corp. recently bid for Mobile Commu Buoyed by strong long-distance cations Corp. to expand its cellurevenue and major cost cuts, lar-phone operations. Both Bell At-AT&T moved from a loss of more lantic Corp. and Nynex Corp. are than \$1 billion in the last quarter of becoming major players in the 1986 to a profit of \$498 million in computer hardware retailing busi-

Bells" continue to show moderate, by cost savings that the company but consistent and predictable, estimated had totaled more than \$1 billion in 1987. Nynex, which serves most phone

creases of 4.8 percent to 23.8 per-users in New York and New Encent for the fourth quarter of 1987 gland, said that substantial investments for long-term growth slowed BellSouth said its 1987 results

clines in earnings for both the an early retirement program, as well as continuing increased depreciation expenses. US West Inc. said that it not only

for a 3-for-2 stock split effective

rates, he said.

licy-making Federal Open Market stage would be very high," he said. Committee is due to meet Tuesday "Its important to avoid a recession

right away, others predict that the which had overseen five years of

there is more conclusive evidence particularly anxious to avoid a re-

my.

"They are going to be a little bit careful just yet," said Martin Regalia, director of research and co-by the Fed now that recent eco-

members will hold steady until continuous economic expansion,

about the state of the U.S. econo-cession in this election year.

"The cost of a recession at this

and not just for political reasons.

The Reagan administration,

by the Fed now that recent eco-

nomic data point to a slowing of

growth in the first part of the year.

Council of Economic Advisers,

Beryl W. Sprinkel, has suggested

that the Federal Reserve is keeping

too tight a rein on money supply and that lower interest rates would

He said last week that growth in

the money supply has been below

the Fed's own targets and said the administration's forecast of 2.4

percent growth in 1988 depended

on the Fed meeting those targets.

Interest rates fell when the Fed

eased the money supply after the

help the economy.

The chairman of the president's

Pacific Telesis said its earnings sion's restrictions on technology were sharply curtailed by a phone-transfers and limited new markets rate decision, an early retirement of the Middle Atlantic States and NEW YORK - American Tele- had forced the managements of the program and an internal restruc- the increasing contributions of its

VUITTON: Tapping Japan's Yen

(Continued from first finance page) difficult to crack the Japanese marpercent duties charged on the ket. The Japanese admire Ameri-goods and other distribution costs ca," he contends. still make the Vuitton products cheaper to buy in other Pacific Ba- made president of the Vuitton's

Selling in Japan is easier when a company has strong image and a rates, challenges remain in Japan. long history, said Mr. Sacau, who The next question is whether the

Baby Bells appears to be one of US West Inc. said that it not only son whose apprenticeship in pack-further conservative earnings reached its overall earnings goals in suggest top hats and crimolines led to merged. further conservative earnings reached its overall earnings goals in selling conversed tranks in his tors will continue to be attracted by tions were profitable for the first own shop. The firm's first overseas branch was established in London new line of all leather articles. So

> "Made in France" company's quality image, he ac- may be more difficult in Japan beknowledged that pure quality is not cause the familiar printed logo, the enough to assure entry into the Jap- entangled L and V in muted gold. anese market.

non-telephone businesses.

For his efforts, Mr. Sacau was sin countries, where they sell for as luggage division in 1986. In Octomuch as 40 percent under prices in ber, he was moved up to director-Japan. Japanese travelers load up general of the Louis Vuitton group, for themselves and as prestige offerings in Japan's gift-giving sys- fumes and Veuve-Cliquot champagnes.

Despite the phenomenal growth came to Vuitton after a career re-success with luggage and handbags tailing maternity clothes and lay- can rub off the champagnes, co macs and perfumes of LVMH Vuitton's own story began in Moët Hennessey Louis Vuitton, 1854 with Louis Vuitton, a miller's created last year when the champagne and leather goods companies

Southwestern Bell said that its in 1885.

Joseph Battipaglia, a telecomearnings were held down to a cerminal description of sales in Japan.

Mr. Sacau hopes to push the figure

He admits marketing the has been replaced by an embossed "You must have been a success in signia, making the product's ori-in America. That's compulsory be-cause if you have not, it is very discreet," Mr. Sacau said.

SELECTED U.S.A./O.T.E. OBOTATIONS 2¾ 2% Bitter Corp. Chiron 131/2

Gold Glory USA Inc. 3 31/4 GoodMark Food 10% 1134 MAG Holdings 2% 21/4 % WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These are indicative market prices

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Despite Dispute MANAMA, Bahrain — British Airways PLC said Sun-

day that it would take delivery of all 10 A-320 aircraft on order from the European Airbus Industrie consortium despite a dispute over fuel consumption. The airline's chairman, Lord

BA to Take

Airbus A-320s

King said after a meeting of the BA board in Bahrain that the first A-320 would be in use by mid-March, but added that he expected Airbus to improve

BA inherited the \$340 milhon Airbus order as part of a £250 million (\$425 million) takeover of British Caledonian Airways PLC, a major carrier in the Gulf region.

But last week Lord King said Oct. 19 stock market collapse. But since then the central bank has held BA would demand compensasteady on monetary policy. tion because tests showed that Even if the Fed does choose to the A-320 used 9 percent more fuel than expected. Airbus rejected the criticism,

ease, economists said it is unlikely to cut its discount rate, the interest

rate it charges banks for loans.

COURT OF PARIS

Judgment delivered on June 22, 1987 CELEBRITY NEWS, carries on its business under the trade name CELEBRITY NEWS. It has filed the following trademarks: CELEBRITY NEWS No 1,308,863 - CELEBRITY BULLETIN No 1,308,861 - PARIS CELEBRITY SERVICE No 1,308,860 - CELEBRITY NEWS SERVICE

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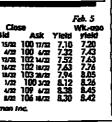
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U.S. Consumer Rates EUROBONDS: Rate Fears Make the Market Manic Fed Will Look for Clear Signs on Economy Money Market Feeds Donophet's 7-Day Average 653% Bank Meany Market Acco Bank Rate Monitor Ladex would vote to ease. "Almost all of The Fed is more likely to lower Home Mortgage, FHLB average 11,07 % WASHINGTON -- U.S. central the indicators point to a severe the Fed funds rate, the interest bankers meeting this week are like- weakening in the economy," he banks charge each other for over-Source : New York Times. night loans, to about 6.25 percent

est rates if they consider that the A stable dollar gives the Fed from around 6.5 percent, Mr. Levy economy shows clear signs of fal-more flexibility to lower interest said. The Fed influences that rate directly by buying or selling gov-ernment securities in the open mar-

Treasury Bonds







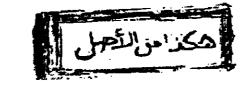


ground floor 339 SQ.M. and basement 397 SQ.M.

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America Americ

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BUY: Americans Are Spending Their Way Into More Taxes, Some Experts Believe

There it also a growing perception

more.

"The high personal savings rates of the early and mid-1970s are beyond the nation's reach now," said Lester Thurow of the Massachuseus

Institute of Technology.

Evidence is piling up to support that view. Recent studies show that Americans' motivation to save for a rainy day has been increasingly nu-dermined by such amenities as rising retirement benefits, improved disability insurance, easy credit, Medicare and even the cash payouts that have gone to tens of thousands of shareholders in corporate take-overs and stock buybacks.

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Pethaps more alarming is that efforts to encourage Americans to save more — such as the introduc-tion of tax-deferred retirement accounts - seem to have had little

If economists are right that the private sector cannot save enough, the alternative is for the government to take on the job by raising taxes.

Raising taxes would, in effect, be a compulsory form of national savings, taking out of everyone's pockets money that might otherwise be spent on private consumption.

More tax revenue is the easie.

More tax revenue is the easie.

way to get it, "said Joseph Pechman, a tax expert at the Brookings Institution, stating a view held by many ton, stating a view held by many economists. "The only question is because of the presidential compose tax increases of tax increases of

seems to be gaining momentum.

One advantage, its advocates say, is that Congress would probably find it easier, politically, to pass a consumption tax than to try for another revision in the moune tax code. So long as the U.S. govern-ment did not also raise its spending, new tax revenues would raise total savings in America.

Why do savings matter? Because they are the dollars not spent immediately on food and clothes, movies is public savings. But in the 1980s, and travel that can be poured into the public sector has dragged down

resonal savings — the money by a surplus of \$45 billion by state households put into bank accounts, corporate bonds and other investments after paying all of their expenses and taxes — have tradition—

or \$152 banon in iscal 1987, offset rities that offer tax-free income and by a surplus of \$45 billion by state lower income taxes. Higher interest rates do not seem to have done the would be somewhat higher.

Whatever the classifications, there is still a widespread perception that the United States copy the Jap-

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Solition of the control of the contr

MERCY SANDERS OF SANDE

among economists that no matter provided in the provided Americans consider high-of disposable income, averaged 8.1 of disposable income, averaged 8.1 of disposable income, averaged 8.1 of decimel to an average of 5.4 of discipline — to spend less and save percent from 1980 through last year, and have not been above 4.5 percent and have not been above 4.5 percent

> Personal savings, which totaled \$120 billion last year, are only one of the two forms of private national savings. The other is corporate savings, the money business takes from profits and does not pay out to shareholders, setting it ande to re-place aging plants and equipment. These savings, which totaled \$553

More tax revenue is the easiest way to get' more savings. The only question

is what type of tax

to enact.' Joseph Pechman. Brookings tax expert

billion in 1987, are not growing significantly, either.

The total of \$674 billion in personal and corporate savings fell short, by about \$43 billion, of the amount needed to finance all of the nation's \$716 billion in private investment last year. The United States has made up this short-fall by borrowing the savings of other countries.

Many politicians and economists contend, however, that a developed country, such as the United States. should be supplying funds to other countries rather than borrowing from the world's pool of limited

Another option is to cut back on investment until it matches available savings. But that is a remedy that strikes nearly everyone as self-de-feating in a period of intense global competition and rising business in-vestment elsewhere in the world.

factories, machinery, roads and other projects that generate income and wealth.

savings, not increased them — producing a U.S. deficit or "dissaving" of \$152 billion in fiscal 1987, offset

Soles in Net - 100s High Law Class Chips

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

entered the country mostly as investments in Treasury securities, corporate stocks, factories and real

says Michael Boskin, an economist at Stanford University, they are a more practical way to raise national savings to the point that foreign borrowing becomes unnecessary.

private savings. In one, to be published this month by the National Bureau of Economic Research, Mr. Boskin and Laurence Lau, another Stanford economist, determined that corporations in recent years cut their contributions to defined-benefit pension plans by as much as \$130 billion annually on the ground that the plans were over-funded. Pension assets count as corporate savings.

The two economists also found evidence that the elderly are increasingly depressing the nation's person-al savings rate. "A substantial frac-tion" of the elderly, they said, spend their savings rather than maintain or increase them. This has a greater impact than in the past because the elderly represent a growing percent-age of the population and a greater share of the national wealth.

The greater well-being of the el-derly today — a result, in part, of higher Social Security payments and improved pension benefits — has belped to persuade younger Americans that they do not need to save as much for retirement, according to Lawrence Summers of Harvard University and Chris Carroll of the Massachusetts Institute of Technology, in a study in the current issue of the Brookings Papers on Economic

Adequate health insurance, improved disability pay and widespread life insurance coverage are also discouraging savings in the Baby Boom generation, the study concluded. Saving to buy big-ticket items like cars and refrigerators has gone by the board, too, because it has become so easy to buy these

items on credit, the economists said. The research into saving has fueled two other debates. One is whether households can be lured into saving.

Incentives that have been tried, without much success, include taxsheltered retirement accounts, securities that offer tax-free income and

| 185 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187 | 187

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(Continued from Page 1) ally accounted for a significant vestment by \$43 billion, the United anese custom of paying part of a public pressure is rising to reduce spending and raise its borrowing, portion of total savings in the UnitStates had to borrow \$150 billion worker's salary in semiannual bothe nation's indebtedness to the rest and that it must do so now ed States, but they have been shrink- from abroad last year. That money nuses, rather than in weekly or of the world.

monthly wages. The Japanese save a much greater portion of their bonuses than of their wages, and Mr. Jusconservative, are concluding that a ter thinks that Americans, too, tax increase will be necessary. Be-"would treat lump-sum bonuses as cause raising income taxes is viewed if they were inherited wealth" by by many as unpalatable, interest saving more as well. But this is not a and support - seems to be shifting widely shared view among econo- to a const

Such a tax could take the form of The other debate concerns wheth- a national sales tax or a tax that Several new studies delve into the er the nation's savings rate, as mea-would be paid on the value added to reasons for the continued decline in sured by the Commerce Depart- a product at each stage of its proment, is really an accurate measure duction and distribution. of true savings in this nation. Some The tax burden in either case economists contend that the Ameri-can savings rate would come closer and would fall most heavily on low-to those of Japan and Europe if the er- and middle-income families, who

spend a greater percentage of their

December increase placed total

consumer debt at \$612.57 billion,

up 6 percent from the end of 1986,

The New York Times reported.

The high personal savings rates of the early and mid-1970s are beyond the

nation's reach now.

Lester Thurow, MIT economist

Commerce Department took a

Outlays for a child's college edu-cation, for example, might be thought of as an investment with a future payoff in a higher salary than a high school graduate could command. An education outlay, then, would fit the definition of savings, which in essence is the use of resources for some future benefit.

Despite such misgivings, Ameri-ca's tendency to spend rather than save is increasing the likelihood of a By this definition, the purchase of a stove is also a savings, since the payback is equal to the monthly payments a household would have tax hike, one that could well take the form of a national consumption tax. to make if it did not own a stove and **■ Consumer Debt Up** had to rent one. Consumer debt rose by \$4.5 bil-lion in December, the biggest monthly gain in three months, the Federal Reserve said Friday. The

Some economists would, for example, classify washing machines, refrigerators, cars and other durable goods as investments — part of savings — rather than consumption. Some also would like to see government expenditures on such capital improvements as highways, schools, dams, airports and research be reclassified as investments.

The Commerce Department now counts the down payment on a house as an investment, but does not do the same for durable goods. If it

JETS: Western Firms See Hope for Sales to East Bloc

Western diplomats in East bloc bo jet but is the best the Russians capitals say a cash shortage will have to offer. likely mandate leasing arrange-

the West's planes, and many say tenance that was far more costly. demand will likely evaporate once The 747 carries up to 452 passen-

vailing in their own aircraft mar- paper said 747's required engine kets, the Western manufacturers service only every 9,000 to 11,000

are pushing into every niche.

Eastern European airline offiincome - and save less of it - than cials are reluctant to discuss the the favored long-range aircraft of exploratory talks. Because hard East bloc airlines, carries up to 174 the wealthy, according to Mr. Pechman of the Brookings Institution. A 5 percent national consump-tion tax, whether a value-added tax currency is in such short supply, passengers and cruises at up to 486 the financial arrangements are knots, according to Jane's. The Poor a sales tax, would raise \$103 bilcomplex. The maneuvers are politilion a year in additional revenue, according to Mark A. Bloomfield, president of the American Council cally tricky, because Western aircraft sales would represent a tacit admission that Moscow was unable STOCKS: for Capital Formation, a nonprofit to meet its allies' needs. organization imanced partly with

Moreover, it remains unclear Congress Divided bow Western rules restricting the corporate contributions. Mr. Pechman, for one, is con-cerned about where a small consumption tax will lead. It might raise American savings, but it could have Coordinating Committee on Multi- committee session to write specific other effects, as well. He charges lateral Export Controls, or CO legislation after that.
COM, a Western watchdog body "I think the developments in the that the strategy of corporate Amer-ica "is to start modestly," with a consumption or value-added tax of COM, a Western watchdog body over trade with the Eastern bloc, week of Oct. 19 make it mandatory pledged in Paris last month to con- that we act to make sure the SEC or tinue strict enforcement of export the Fed, one of the two, probably rules, while agreeing to thin out the lists of proscribed high-technology authority and power," he said after 5 to 7 percent. Then, he fears, the tax will build, until it is substituted for corporate and personal income taxes — leaving substantial untaxed

Still, even with all those hurdles, the East bloc countries have to try the votes on his committee to reto find new suppliers for a number solve the turf battle, but he pointed

lowing the American example, imposed strict noise-control levels on airports effective Jan. I. Since most Soviet planes, with the exception of Markey, a Democrat of Michaelm on Long-range Hyushin models, setts, who is chairman of the figure of the page limits of the page of the pag fail to meet the new limits, flights nance subcommittee, are expected had to be curtailed or face stiff to play a key role. landing fees, forcing the already high operating costs of the Soviet-built planes even higher.

(Continued from Page 1)

Polish weekly, Przeglad Tygodnamed Fast Germany's Interflug
Aeroflot was mentioned in other

Polish weekly, Przeglad Tygodniowy, compared the Bocing 747,
considered the West's top-of-theline long-range aircraft, which is
Soviet-built Ilyushin 62M, which is
not directly comparable to the jumnational required service every 2,500 to 3,500 hours.

The newspaper said it required service every 2,500 to 3,500 hours.

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The newspaper said it required service every 2,500 to 3,500 hours.

The newspaper said the Blyushin required service every 2,500 to 3,500 hours.

The newspaper said the Bocing 707, and th not directly comparable to the jum- which carries 190 passengers, con-

The article said that the Soviet ments, rather than outright pur-chases, if the deals succeed. planes were far less fuel-efficient than their Western counterparts, Few observers expect a rush for while their engines required main-

the Soviet Union begins supplying gers and has a maximum level its new generation of planes in the speed of about 530 knots, or 602 s new generation of planes in the specific of another social states and the specific of the sp

sumed only six tons. Other complaints include the inability of most Soviet planes to haul freight, poor supplies of spare parts and the need to fly aircraft to Soviet airports for major mainte-

nance work. The spark that ignited Poland's search for Western planes was the crash last May of a chartered Lot Polish history.

By contrast, the Ilyushin 62M, blamed a faulty roller bearing in one of the plane's four engines for the crash. The airline responded by grounding indefinitely its eight

sale of high-technology products to (Continued from first finance page)

Communist countries will apply. (Communist room lines immace page)
Western countries grouped in the tion in one month and promised a

the Senate hearings.

He said he was not sure he had with hope to the House, where the The European Community, fol- chairman of the Energy and Com-

Mr. Markey, according to a Democratic aide in the House, is uilt planes even higher. leaning toward giving the Fed more
A remarkably frank report in a authority over margins.

U.S. Postpones Futures Rules

WASHINGTON - The Commodity Futures Trading Commission has said that until April 4 foreign firms can continue to solicit or accept orders from U.S. customers for foreign futures contracts even if they have not been exempted from new rules that went into effect last Monday.

In a notice in the Federal Register, the commission said that demands on its employees' time since the October stock price collapse had pre-vented the agency from reviewing exemption requests from foreign exchanges and

The rules, adopted last July, subject foreign futures contracts to registration, capital, risk disclosure and separate account requirements comparable to those on domestic

regulatory agencies.

American Exchange Options

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Chicago Exchange Options

Figures as at close at trading Friday.									
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SPORTS BRIEFS

December 1985, Yoo, 24, ran his career record to 26-0. Salazar, 23, is 24-9-1.

Jones Has 3-Shot Lead in Pebble Beach Golf

PEBBLE BEACH, California (AP) — Steve Jones shot a 2-under-par 70 Saturday to take a three-stroke lead into the final round of the Beach National Pro-

Jones, a nonwinner in his first four seasons on the PGA tour, completed one round on each of three Monterey Peninsula courses in 206, 10-under par. On Saturday he birdied four of his first five holes at Spyglass Hill.

Craig Stadler was within a stroke of the lead before bogeying two of his last three

holes at Cypress Point; his 71 left him tied at 209 with West German Bernhard

Langer, who had a 70 at Cypress Point. Mark Calcavecchia, Dick Mast and Jim

Carter were next at 211. Mast had a 68 and Carter a 70, both at Pebble Beach.

Calcavecchia, who shared the second-round lead with Jones, struggled to a 75 at

For the Record

in Vienna Feb. 9, 1986.

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I'D BETTER NOT, REX! AS I SAID, I HAVE A COUPLE OF LECTURES TO PREPARE FOR TOMORROW—AND SOME CHORES AROUND THE HOUSE! I'LL SEE YOU AT THE SYMPHONY HALL SATURDAY AT 17:30!

`110**%**"?

TOUGH QUESTIONS ...

Thomas Schönlebe of East Germany

posted a time of 45.05 seconds in the

400-meter dash at an international track

and field meet Sunday in Sindelfingen,

West Germany, equaling a world indoor

record he set there two days earlier. Schönlebe, 22, had set the mark of 45.41

Canadian sprinter Ben Johnson sus-tained a pulled muscle in his left thigh

while winning the 60-meter dash Friday

night in Sindelfingen. Johnson won in a

time of 6.50 seconds, after slowing in the

final five meters. Johnson holds world

marks of 9.83 seconds for the 100 me-

ters, 6.41 for the 60 and 5.15 for the 50-

(AP)

HOW IS THAT, SIR

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Pebble Beach.

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New York Times, edited by Eugene Maleska.

DENNIS THE MENACE

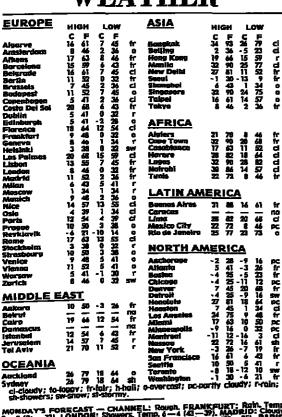


MOM, YOUR COOKIES TASTE GREAT, AND THEY'RE LESS FILLING! "

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee Unscramble these four Jumbles, one letter to each square, to form four ordinary words. OCTIX **ENGOM** NUCCOR WHAT THE COUNTESS SAID HER HUSBAND WAS. **OOTARR**

umbles: BLOOD TWILL MALTED LAVISH Friday's "This soup tastes like dishwater!"—
"HOW CAN YOU TELL?"

WEATHER



Snowy Calgary Enjoys No-Wind Situation By Michael Janofsky million in cash and credit from the city, provincial and federal governments for facilities, which may be the show's real stars. All of them are new or improved, including the world's first indoor 400-meter (440-yard) speed-skaning oval, built on the campus of the University of Color of the campus of the cam

Yoo, Starling Keep WBA Titles on Decisions New York Times Service
CALGARY, Alberta — It finally snowed, a SEOUL (Combined Dispatches) - South Korean Yoo Myong-woo retained his blustery storm that lasted long enough to paint the entire landscape a pristine white and dump World Boxing Association junior flyweight title here Sunday with a unanimous decision over Mexican challenger Wilibardo Salazar.

With the seventh successful defense of the title he won from Joey Olivo in more than a foot in the nearby Rockies.

Better yet, cold temperatures ever since and more snow have kept the scene intact, making the site of the 1988 Olympic Winter Games finally look like a place where Winter Games Marion Starling kept his WBA welterweight title with a unanimous 12-round decision over Fujio Ozaki Friday in Atlantic City, New Jersey. On the same card, Mark Breland, from whom Starling won the crown last year, stopped Juan Alonso Villa in three; Starling and Breland will fight a title rematch April 16.

Frank Tate of the United States knocked out British challenger Tony Sibson in should be staged.

Through so many months of preparation, weather was the biggest concern here. The fear was that the thousands descending upon this city of 647,000 would be surrounded by prairies the 10th round of a scheduled 12-rounder Sunday night in Stafford, England, to retain his International Boxing Federation middleweight title. The fight was delayed when fans without tickets exploded teargas canisters in confrontations with and farmlands of cardboard brown, thanks to the dreaded Chinooks, warming winds that can turn a winter wonderland into balmy spring

within hours. But the Chinooks have stayed away, leaving these 15th Winter Olympics, which begin Saturday, poised for greatness. Many records are possible: most countries (57), most athletes nearly 1,800), most events (46), most tickets sold (1.4 million), most tickets unsold (350,000), highest worldwide television rights fees (\$400 million) and most dollars spent on new and existing

facilities (more than \$500 million). These Games are so big that countries without Winter Olympic experience, or even winter, plan to participate, including Puerto Rico and the Philippines with lage racers, Jamaica with a bobsled team, Fiji with two biathletes, the British Virgin Islands with a bobsled team and Guam with a hiathlete.

Also, at 16 days they will be the longest Winter Games ever, largely to accommodate ABC, which wanted three weekends of televi-sion programming for the rights fee it paid of \$309 million.

So what if a Chinook blows Calgary's way? "We should be O.K. now," Frank King, the chairman of the organizing committee, said of the snow cover and any other concern that might arise. "Our only problem is keeping things flowing as smoothly as they're going now."

The magnitude of the event seems a natural by-product of the time, effort and money spent to produce it. Calgary organizers, unsuccessful in bidding for the Games of 1964, 1972 and 1976, finally prevailed in winning these Games.

Along the way, they raised more than \$300

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FEBRUARY IS THE *MONTHS

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CLEATS!

the world's first indoor 400-meter (440-yard) speed-skaning oval, built on the campus of the University of Calgary. It is futuristic and fast,

The dreaded Chinooks warming winds that can turn a winter wonderland into balmy spring within hours — have stayed away, leaving these 15th Winter Olympics poised for greatness.

and skaters who have tried it predict world records in almost every event. "There's nothing like it anywhere," said Bon-nie Blair, a potential medal winner for the

United States at 500 and 1,000 meters. The venues are fairly spread out. Most fig-ure-skating events and hockey games will be in the Saddledome, a downtown arena and home of the Calgary Flames of the National Hockey

Canada Olympic Park, 15 minutes west of the city center, is the venue for ski jumping, bobsled and luge events. An hour outside of town in the Canadian Rockies lie Nakiska at Mount Allan, the site of Alpine skiing events. and the Canmore Nordic Centre for crosscountry skiing and biathlon events.

As usual, the featured attractions are expected to be figure skating and the hockey tournament, expanded from eight to 12 teams for the first time, presumably to keep a so-so U.S. team alive sport's history. for ABC for as long as possible.

berto Tomba of Italy, Pirmin Zurhriggen of medal count was four. Switzerland and Marja-Linsa Kirvesniemi of Fin- As they were in 198

hottest siziom saier. Tomon uses wen four siziom races and three giant slaloms. He is 22.

Zurbriggen, 25, is the reigning all-round master and World Cup champion. In seven cup seasons, he has won 30 events in four discplines: downhill, slalom, giant slalom and saper

In Sarajevo, Kirvesniemi won gold medals in three cross-country skiing races, at distances of 5, 10 and 20 kilometers. After a year off to have a child, she could sweep those events again, plas win a gold in the 20-kilometer (32-mile) relay. Blair, Nick Thometz and Dan Jansen of the

United States also deserve mention. They are speed skaters, with legitimate medal hopes of Blair had the world record at 500 meters until Christa Rothenburger of East Germany broke it in December. Thometz still has his world record at 500 meters. Jansen is a former World Cup champion at 500 and 1,000 meters.

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Besides them, the best U.S. medal hopes are Debi Thomas and Brian Boitano in figure skating and Josh Thompson in biathlon. Thomas, the current U.S. figure-skating champion, is almost assured of a medal, most

likely a silver. Thomas's victory in the 1986 world championship is the one blemish on Vitt's record.

Brian Orser of Canada, the current works figure skating champion and numer up to Scott Hamilton in Sarsjevo, was regarded as a clear favorite over Boitano, the four time U.S. champion. But Orser bombed in his long program at the Canadian national champions last month. Thompson's silver medal in the 20kilometer event of the 1987 biathlon world championships was the first U.S. medal in the

If the favored Americans falter, the United But several athletes could overshadow it all, States could have one of its worst winter perfer-including Katarina Witt of East Germany, Almanoes ever, as bad as 1924 and 1936, when the

As they were in 1984, the favorites to win most medals are the East German and Soviet Witt is the defending Olympic women's figure teams, with Sweden, Switzerland, Norway and skating titlest and the current world champion.

Canada also expected to some well.

WORLD STOCKS IN REVIEW / Via Agencs France-Prene

Amsterdam

Amsterdam stocks were steady last week thanks partly to a reasonably stable U.S. dollar. The ANP-CBS general index gained slightly on the week, to 219.7, against 218.5 the previous Friday.

Volume was up, to 8.550 billion guilders from 6.567 billion the previous week, and bond trading was brisk, particularly in government

The market was lively on Monday, and the fractionally higher dollar and a good advance on Wall Street reassured investors. Shares advanced on a broad front. Prices changed little the rest of the week.

The brokerage firm Kempen & Co. predicted that share prices would continue to gain in

Frankfurt

The Frankfurt exchange had a good week, with blue chips particularly favored, gaining an average of around 5 percent.

The dollar's stability and the news that the Karstadt department store chain posted a marked improvement in 1987 results encourfinished the week at 1,259.7, up 51.8 from the previous Friday.

Volume jumped to 10.21 billion Deutsche Arjomari, Aussedat-Rey and DMC marks, from 8.11 billion DM the previous

The strongest rises were m shares of automakers, department stores and electrical con-cerns. BMW rose by 22 DM, VW by 5.80, and Daimler by 42. Karstadt finished at 378 DM,

up 23, and Siemens at 353, up 28.
In chemicals, Bayer added 10 and Schering advanced 18.50 DM.

Banks also did well, with Commerzbank up. 14.50 on the week, Dresdner up 15.30, and Deutsche Bank up 26.30.

Hong Kong

Nervousness over an impending visit by the U.S. trade representative, Clayton K. Yeutter, dominated the Hong Kong Stock Exchange last week, with the Hang Seng Index shedding more than 100 points in dull trading.

The leading market barometer closed at 2,292,59, down 117.07 points from the previous week's close. The broader-based Hong Kong Index finished at 1,497.87, down 76.26

The week got off to a poor start, with the index losing 51.39 points on Monday 59.77 points on Tuesday.

It recouped half of those losses Wednesday, finishing at 2,354.46. Dealers attributed the rise to a technical correction but added that market sentiment appeared uncertain ahead Mr. Yeutter's visit.

Mr. Yeutter is expected to pressure Hong Kong to revalue its currency against the U.S.

Renewed selling pressure Thursday pushed the index down 59.15 points and it dropped a negligible 2.72 points Friday in dull trading.

London

The London Stock Exchange moved erratically lower last week in very quiet trading.
The week was dominated by the signal given by the Bank of England to raise interest rates. by half a percentage point to 9 percent, catch-ing financial markets surprise despite a number of warnings in recent weeks. News that U.S. banks had lowered their

prime rate added to the dull tone. The Financial Times index of 30 industrial shares slipped 48.6 points for the week, to 1,387.1. Volume remained low. Insurance issues suffered severe losses on

news that building societies will be allowed to compete head-on with financial institutions. Losses were reduced thanks to encouraging takeover activity, particularly in the oil sector, where Tricentrol was the subject of a bid by Atlantic Richfield.

Milan

Prices on the Milan stock exchange plunged last week, brought down by the announcement by Gruppo Ferruzzi the previous weekend that it would restructure its activities, including those of its subsidiary, the chemicals giant The MIB index, reset at 1,000 points at the

start of the year, ended Friday at 905 points, for a weekly loss of 5.98 percent.
Shares in Montedison and two other Ferruzzi units plummeted on Monday. The fol-

lowing day, bourse authorities suspended the

group's quotation for the day. The stocks re-covered slightly on Friday.

Montedison's shares lost 17.67 percent for the week, while shares in META, the leading

element in the Montedison group, shed 1129 percent. Two other Ferruzzi units, Silos and Ferruzzi Agricola, lost 18.33 percent and 13.70

percent, respectively.

Olivetti SpA, another focus of attention belocause of the takeover hid for Société Générale de Belgique, was relatively stable, falling back 2.39 percent. Fiat's fall was 3.31 percent.

Paris stocks staged a marked recovery this past week, the CAC index rose every day to end Friday at 270.6, from 251.3 a week eather. Analysis attributed the comeback, the first prolonged pause in the long decline since last fall's collapse of world markets, primarily to takeover fever involving a number of Bourselisted companies, such as Martell and Benedic-

Analysts said that companies with proitising prospects but dispersed capital structures are especially interesting targets, particularly those reporting strong 1987 results.

interest are such prestige groups as Bouygues, Skis Rossignol, Accor, Bis, Club Méditerratice,

Singapore

Hopes of a rally ahead of the Lunar New Year were dashed last week as prices fell across the board on the Singapore stock exchange.
The Straits Times Industrial Index was below 900 points the whole week and finished at 869.85, down 39.05 points from the previous

Friday's 908.90. Dealers attributed the fall largely to a lack of support by foreign buyers, institutional fund

managers and small investors.

Dealers said the main market concern was the decision by Washington to end special trading benefits to Singapore. Another factor was the decision by Malaysia's high court to declare that country's major political party illegal.

Volume for the week fell to 95.15 million from 114.8 million the previous week. Total value of trades fell 1.1 percent to 171.2 million

Tokyo

dollars.

Share prices were mixed in lackluster trading on the Tokyo Stock Exchange last week, Investors were nervous about the dollar and coming U.S. trade results, despite recent improvements on both fronts.

The Nikkei stock average, a 588.30-yen winner the previous week, closed Saturday at 23,791.19 year for a 72.06-year advance. But the TSE index of all common stocks listed on the market's first section lost 1.77 points to 1,927.73. It had gained 73.94 points thew previous week,

investors, who had stayed away most of the week, bought export-oriented issues on Saturday as the dollar firmed against the yen on

overseas markets overnight.

Average daily volume shrank to 488.5 million shares from 635 million shares, and ayerage value to 454.2 billion yen a day from 683.76 billion.

Zurich

The Zurich stock exchange scored a modest gain this past week; though investors remained mistrustful, analysts said.

The Credit Suisse finished Friday at 4235, against 4130 the provinces.

against 413.0 the previous week, while the Swiss Bank Corp. index closed at 478.6 against

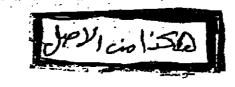
Operators said that Swiss investors are re-covering some of the confidence shaken after the October market crisis, but foreign investors are still uncertain. Analysts doubted the under-lying strength of the week's small recovery.

Banks put on a good performance, such as Union Bank of Switzerland, up 140 to 3,975. Financial companies were mixed, with Electrowatt tacking on 125 to 2,975, but Oerdikon-Bülarle dipping 15 to 820.

Firmness was displayed by insurance stocks, with Companie de Reasurance m. 675 to

with Compagie de Reassurance up 675 to 12,300; by the food sector, with Nestle up 395 12,300; by the food sector, with Nestlé up 395 to 8,345; by chemical companies, with Sandoz up 450 to 12,400; and by industrial concerns, with Fischer up 130 to 760.

Amon foreign issues, U.S. stocks were hestant, with Eastman Kodak losing 2 to 57, but Union Carbide up 1.75 to 30.5.



JRM VAVIS 2-8

SPORTS

led to win a competition of 34 Olympics in Sarajevo Yapai lal would make her the fault peat since Sonja Henie in 1872. Tomba, Tomba La Bomba in Europe, a ribute to the sea are giant statoms has won for earney giant statoms. He is 27, is the reigning all round, that won 30 events in forth has won 30 events in forth half, statom, giant statom act.

A. O., Kirvesniemi won seal.

Yo, Kirvesniemi won gold ned yo, Ally collicion won good not country skiing races, at datage.) kilometers. After a year of by in the 20-kilometer (3)-ments and Dan languages also deserve mention the second all of his accorded and 50 ments in the games final 5 minutes and 50 seconds.

"The whole weekend was fun," the said "I felt I was home. It really felt good, it was my first opportunity to win the MVP," said Jordan, nity to win the same all-star appear 30 meters. Jansen is a former to show at 500 and 1,000 meters, leem, the best U.S. medal logs, as and Brian Boitano in figure as and Brian Boitano in figure h Thompson in biathlon the current U.S. figures: is almost assured of a metal; ver. Thomas's victory in the inpionship is the one blende

rser of Canada, the cortest s ing champion and mace-ilton in Sarajevo, was regard. ite over Boitano, the four-ine But Orser bombed in his kny Canadian national champer.
Thompson's silver medal in the event of the 1987 bathlor to teammates Dominique whan hips was the first U.S. model. Tooms (15 asvored Americans falter, the p

d have one of its worst winter to it was four. were in 1984, the favorites u. als are the East German and 5 Sweden, Switzerland, Norse to expected to score well.

Via Agence France Pro otation for the day. The state ightly on Friday ison's shares lost 17.67 perce while shares in META the ke the Montedison group, shell wo other Ferrizzi umis Sh gricola, lost 18.33 percent and [

spectively.

SpA, another focus of stemes
are takeover bid for Societ Gr. ze, was relatively stable falleg: ut. Fiat's fall was 3.31 percent

ocks staged a marked recom-the CAC index rose every at 270.6, from 251.3 a weste s attributed the comeback to pause in the long decline size pse of world markets print ever involving a number of k

panies, such as Martell and le s said that companies with F ects but dispersed capital surally interesting targets pare rting strong 1987 results. the companies generaling in re such prestige groups as his ignol, Accor, Bis, Club Maine Aussedat-Rey and DMC

ipore

of a rally ahead of the Loor, dashed last week as prices left on the Singapore stock enter aits Times Industrial Indus oints the whole week and fine wn 39.05 points from the per attributed the fall largely wak y foreign buyers, institutional

and small investors. said the main market com on hy Washington to ad a mefits to Singapore Anoth exision by Malaysia's high of 121 COUNTY'S major points! for the week fell 10 85.15 E 8 million the previous set : rades fell 1.1 percent to 1711.

rices were mixed in lacking is two Stock Exchange list end, nervous about the dollar mission e results, despite recent kkei stock average, a 588 Mar. previous week closed small yen for 2 72.06-yen advant. x of all common such size first section lost 1.77 pc first section lost 1.77 pc it had gained 73.94 points bei

who had stayed away maining the export-oriented issues in the control of the cont markets overnight, in the daily volume shrank to the strong 635 million shares, to 454.2 billion yen a daylor.

rich stock exchange sounds: hast week. Though investoring the analysis sound ul, analysis said.

edit Suisse finished Friday. 13.0 the previous social fields it Corp. index closed at fields ors said that Suis investor, some of the confidence size, some or market crisis, but foreign and market crisis, but foreign and an area and an area of the week's small new and a suit of the w

ner manus. Analysis small has accrain. Analysis small has a good performing.

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put of Switzerland, minds, and of Switzerland, minds, and of Switzerland, minds, and to some and by individual series.

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de dipping 15 to Sill.

siss was displayed by individual series.

put the food sector, with head on the food sector, and by individual series.

by chemical companies. by chemical companies of 1.400; and by industrial companies of 1.400; and by industrial of 1.400; and 1.500; industrial of 1.750; indus

Situation Eastern All-Stars Down NBA West

capped a glittering weekend in front of hometown fans Sunday, scoring 40 points and earning most valuable player honors in leading the East to a 138-133 triumph over the West in the National Basketball

Association all-star game.

Jordan, who had retained his slam-dank title on Saturday (right),

ances. It's something to remember and it goes along with everything else. But my ultimate goal is win-ning a world championship."

Only Wilt Chamberlin, who lad 42 in 1962, had more points in an

ail-siar game. Converting 17 of 23 shots from the floor, Jordan was the unanimous choice for the MVP. He became the second straight player from the host team to take the

honor; last year's winner was Tom Chambers of Seattle. Jordan was backed by Eastern

Tate Keeps Title on KO Of Sibson

STAFFORD, England Frank Tate of the United States delivered a jolting 10thround right to the head to knock out British challenge Tony Sibson and retain his International Boxing Federation middleweight title here Sunday night.
The 23-year-old former

Olympic junior middleweight titlist stretched his unbeaten record to 22-0-0 in the scheduled 12-rounder. Tate was rarely troubled by

the 29-year-old Briton, who slipped to 55-7-1. In previous title bids, Sibson bad lost to former middleweight champion Marvelous Marvin Hagler in 1983 and to Briton Dennis Andries two years ago.

Sibson's tentative approach disappointed his followers, in violence before the fight as fans without tickets tried to gatecrash and exploded teargas canisters in confrontations with security officials.

Compiled by Our Staff From Disputches. sists). Karl Malone scored 22 CHICAGO — Michael Jordan points to lead the West and Akeem points to lead the West and Akeem Olajuwon added 21. Magic Johnson had 19 assists for

the losers. Kareem Abdul-Jabbar, at 40 the

oldest player ever to play in the annual contest, became the leading scorer in all-star competition when he sank a basket with 44 seconds to play. Finishing with 10 points, Abdul-Jabbar has 247 points in all, surpassing Oscar Robertson's 246.

Jordan sat out the final 6:43 of
the third period, having been called

for his fourth foul, but returned in the fourth quarter to seal the East's triumph. He scored eight straight points to give his team a 122-108 lead with 4:31 left, and from there the East coasted to its seventh triumph in the last nine all-star

games.
"The players were paying me a home-court inbute," Jordan said.
"It was a great display of gratitude by my peers."

Wilkins took charge in the third quarter as the East extended a 60-54 half time lead to 99-89 at the end of the period. When Jordan departed with his fourth foul, Wilkins scored six points in an 8-2 run that gave the East an 86-77 advantage. Wilkins finished with 12 points in the onarter.

Johnson turned from passer to scorer for the West and had 10 points in the third period, including a pair of 3-point plays. Abdul-Jabbar nearly set the record as the quarter ended — his basket at the buzzer was ruled good at first, but disallowed when officials ruled of-

fensive goaltending.
The second quarter belonged to
Jordan, who delighted the crowd with two electrifying dunks and 10 points. The Chicago gnard had 6 points in a 13-4 spree that started the period and turned a 32-27 deficit into a 40-32 advantage. He capped the surge by driving the baseline and converting a lay-in off the glass.

The top vote-getter among this year's all-stars with 1,121,890, Jordan had his best moment when he stripped Malone of the ball, drove the length of the court and finished with a soaring two-handed jam --much like the one he used to win the slam-dunk competition. Larry Bird followed with his first basket throw to give the East a 51-42 lead with 4:54 left.



Jordan Soars, Scores as Repeat Slam-Dunk Champion

Chicago's Michael Jordan (above) outscored Dominique Wilkins of Atlanta on the last dunk of the final round to win Saturday's NBA slam-dunk contest for the second straight year. Jordan needed a 47 to tie and a 48 to win; amid raucous support from a sellout Chicago Stadium crowd of 18,403, he scored a perfect 50 after taking off about a foot inside the foul line and ramming the ball through the hoop. In other events the day before the annual all-star game, Boston's Larry Bird won his third straight 3-point title and Dave Cowens's overtime shot put the East old-timers past the West, 47-45.

Alabama-Birmingham Hands BYU Its First Defeat; UNLV, Duke Beaten

BIRMINGHAM, Alabama --Michael Charles scored 24 points, Rodney Monroe led N.C. State, 14-4 overall, with 17 points and Charles Shackleford had 16. Danny with a 102-83 victory Saturday night over the Courass

night over the Cougars.

Brigham Young, 17-1, was the only undefeated team in major college basketball. The last time the COLLEGE BASKETBALL. Cougars lost was to New Orleans last spring in the National Colle-giate Athletic Association Tourna-to power fourth-ranked Temple to ment at the Birmingham Coliseum.

"This is the best basketball game that UAB has ever played," said Gene Bartow, the Blazer coach.

Gene Bartow, the Blazer coach.

The Owls improved to 18-1 over"Even though they scored a lot of all and 12-0 in the conference.

points on us, our defense held us Rutgers fell to 3-16 and 0-11. lead to 19 points in the second half but Brigham Young cut it to 82-75 with 4:02 left. The Blazers extend-

ed the lead to 11 on four straight points by Dylan Howard. Cal-Santa Barbara 71, UNLV 66: scored in double figures as the Goleta. California. Carrick De-Sooners improved to 20-2 and 6-1. In Goleta, California, Carrick De-

Association game. 3 in the conference, overcame an for the second time this season. 3 and 8-3. UNLV (ell to 20-2 and 9-2.

Barbara, which made only 16 of 29 free-throw attempts, hit its last two fourth straight victory. points with 19 seconds to go, sealing the victory.

74: In Durham, North Carolina, Carolina State's last eight points, including a basket with 58 seconds left and a pair of free throws with Connecticut to a surprise Big East two seconds to go, sparking an up-set of fifth-ranked Duke.

to power fourth-ranked Temple to a rout of Rutgers in the Atlantic 10 Conference, handing the Scariet Knights their 13th straight loss.

Oklahoma 120, Missouri 101: In Alabama-Birmingham built its add to 19 points in the second half ut Brigham Young cut it to 82-75

Norman, Oklahoma, Stacey King Bradley 85, Drake 67: In Des scored 23 of his career-high 40 moines, Iowa, Hersey Hawkins, the points in the second half to lead the nation's top scorer, scored 32 points and Gree Jones added 19 to pace No. 8 Sooners to a Big Eight Conference romp over Missouri. All five starters on both teams

Hart scored 21 points and Brian
Shaw added 17 points and 11 rebounds to lead UC Santa Barbara
to an upset of No. 3 Nevada-Las
Davender scored 21 points to lead
Davender scored 21 points to lead

Vegas in a Pacific Coast Athletic No. 10 Kentucky to a Southeastern Conference rout of Mississippi The Gauchos, 16-4 overall and 8- State. Rex Chapman and Winston Bennett each added 15 points and 11-point deficit to beat the Rebels Rob Lock had 13 for Kentucky, 16-

dio, who scored 24 points before scored 22 points and Rony Scikaly fouling out with 5:20 left Santa added 16 to lead 12th-ranked Syracuse over No. 18 St. John's, its

Syracuse improved to 17-5 over-ig the victory.

North Carolina State 77, Duke
John's fell to 14-5 and 5-4. Connecticut 66, Georgetown 59: Vinny Del Negro scored North In Hartford, Connecticut, Cliff Robinson scored 16 points and Willie McCloud added 13 to help

The victory put N.C. State into a three-way tie with Duke and North Carolina for first place in the At-Connecticut to 11-8 and 3-7. The Hoyas dropped to 14-6 and 4-5.

Iowa 101, Michigan State 72: In Iowa City, Jeff Moe, starting his first Big Ten game this season, scored 19 points and Ed Horton added 17 to lead No. 14 Iowa to victory over Michigan State.
Louisiana State 94, Vanderbilt

79: In Baton Rouge, Louisiana, Wayne Sims scored 25 points and Ricky Blanton added 23 to power LSU over No. 15 Vanderbilt in a Southeastern Conference game. Jose Vargas scored 19 points and

Darryl Joe added 14 for the Tigers. 11-8 overall and 6-4 in the league. Will Perdue scored 29 points for the Commodores, 14-5 and 7-4.

and Greg Jones added 19 to pace No. 16 Bradley to a Missouri Valley Conference victory over Drake. Indiana 75, Illinois 74: In Cham-

paign, Illinois, freshman guard Jay Edwards scored 27 points, includ-ing the game-winning free throws with 27 seconds left, to lift Indiana past Illinois in a Big Ten squeaker. Nick Anderson had given the Il-lini a 74-73 edge with 1:04 to go before Edwards's foul shots. Indiana improved to 13-6 and 5-4 while Illinois fell to 14-8 and 4-5.

Colorado State 77, Texas-El INLV fell to 20-2 and 9-2.

Syracuse 79, St. John's 62: In Pase 63: In Fort Collins, Colorado, UNLV was led by Gerald Pad
New York, Sherman Douglas Pat Durham paced four teammates in double figures with 25 points, lifting Colorado State to a Western Athletic Conference upset of No. 19 Texas-El Paso. Barry Bailey contributed 16 points, Trent Shippen 12 and David Turcotte 11 for Colorado State, 12-7 and 3-4.

Auburn 58, Florida 57: In Gainesville, Florida, John Caylor scored 21 points and triggered a 10-0 spurt in the second half that helped Auburn get past No. 20 Florida, denying Norm Sloan his victory over No. 13 Georgetown. The triumph before a sellout 600th coaching victory.

Wales Flashes Past England, 11-3; Scotland Scuttles France

By Bob Donahue tional Herald Tribune

of the game and Wilkins hit a free gland, while France shuffles to-

ing several attempts from inside, and trailed by 14 at intermission. Malone had eight rebounds for the West in the quarter.

In the opening period, Malone and Olajuwon each scored 8 points to pace the West to a 32-27 lead. Johnson had 5 assists in the quarter, while Jordan had eight points for the East, which trailed by eight twice in the period.

**West in Davies kicked a drop goal in the 1970s.

At Twickenham Saturday, in goals, left wing Patrice Lagisquet. East, which trailed by eight twice in the period.

**West in the quarter of the Olajuwon each scored 8 points to pace the West to a 32-27 lead.

**Johnson had 5 assists in the quarter, left wing Adrian Hadley in the period.

**West in the quarter of the Olajuwon each scored 8 points to pace the West to a 32-27 lead.

**Johnson had 5 assists in the quarter, while Jordan had eight points for the East, which trailed by eight twice in the period.

**West in the quarter of the Scot and Tukalo scored with a try and four penalty goals in the fund and match was supposed to restore land match was supposed to restore does to restore the team played like has-beens. At Twickenham Saturday, in penalty goals in the finale The French host Irrelated on Feb. 20, then have a month of feb fore finishing in Cardiff.

The Welsh took third place at the World Cup, behind New Zealand and France but ahead of Australia, yet they were only narrow favorites was they were only narrow favorites at Twickenham Sanurday. The England's manager, early and four penalty goals in the inneout. Even the scrums top in the lineout. Even the scrums the passing has drop goal in the line on the Welsh on the Welsh took third place at the World Cup, behind New Zealand and France but ahead of Australia, yet they were only narrow favorites at Twickenham Sanurday. The England's manager, early and four penalty goals in the final had a sweeping attack that left Lagis-and France but ahead of Australia, yet they were only narrow favorites at Twickenham Sanurday. The England's manager, left with the full place

an 11-3 exhibition of the superiority of Welsh skills. All the English LONDON — Wales bursts on-stage with a flashy romp over En-by fullback Jon Webb.

Scotland. So ends Act II, surprising where Scotland's 23 points were its oux won a Five Nations grand slam The West converted only 10 of much of the audience.

The West converted only 10 of much of the audience.

Three acts remain — Feb. 20, ing several attempts from inside, March 5, March 19 — but the 1988 much of the World Cup in June, but looked points were in the second period, missing attempts from inside, March 5, March 19 — but the 1988 much of the World Cup in June, but looked points were in the world Cup in June, but looked points were in the second period, missing attempts from inside, where scondard \$25 points were in the value of the world Cup in June, but looked points were in the second period missing attempts from inside, where scondard \$25 points were in the value of the val

FIVE NATIONS RUGBY

over England on the first Saturday, gland, while France shuffles to-ward the wings whipped by rayfield, in southern Edinburgh, broca and coached by Jacques Four-

dirt. From that 29th minute on, scribed the losers this way: "There stepped charging Englishmen and

and passing that recalled the cocky Welsh confidence of the 70s.

Tony Clement is a 20-year-old a capacity home crowd that a much touted English revival was real.

It is, but it's partial. Rod Morgan, chairman of the Welsh selectors, de-

SCOREBOARD

U.S. College Results

on III. Nichols #1

Beston 10, 75, Heriterd 77 Buttole 22, Adelphi 55 Ceteute 18, Kines Point 75 Cornell 66, Princeton 55

Destinouth &L Yole 44

Doctrooth \$1. Yole 44
Hervord 77, Brown 44
Hervord 77, Brown 43
Penn 56, Celumbia 51
Rochester 79, 52, Jahn Fisher 75
Trinity 72, Colby 75
Wesleyten 75, Georgetoen, Ky. 74
MIDWEST
NYU 48, Chicopo 61
FAR WEST
Air Force 71, Celorado 51, 63, 207
Alcalo-Foirbonia 22, Alcale Pocific

Ainsho-Feirbania 22. Akaska Pacific 72 Lovoka, Colifi. 12. Sea Prencisco 111 Mentena St. 71. Boles St. 70

CO SL SL, Hur Clore 64. Pepperdine 57 SATURDAY'S SCORES

EAST
Allephany EI, Denison Si
Ambers 78, Broadels Si
C.W. Post 98, N.Y. Tech 77
Clark 104, Bowdoin 59
Connecticut 64, Georgebown 59
Connecticut Cel. 84, Williams 22
Connecticut Cel. 84, Williams 22
Connecticut Cel. 84, Williams 22
Connecticut Cel. 86, Williams 22
Connecticut Cel. 86, Williams 22
Connecticut 75, Deloware 74
Folifiett 72, Lono 75
George Westingson 94, Duquest

George Washington 95, Du-Homilton 94, Union 87, OT

Homitton 94, Union 62, OT Honord 88, Yole 8 Hotor? 165, Clarkson 87 Hotor 165, Clarkson 87 Hotor Cross 75, Manhathan 93 Ladayette 77, Bucknell 62 Linayette 77, Bucknell 62 Linayette 77, Bucknell 62 Linayette 77, Maha 78 Hortheosbern 87, Contakus 72 Perm 35, 44 53, Bonoventure 62 Princeton 69, Catumbia 47 Seton Hotil 68, Pravidegot 64 Siena 69, Broekfor 64 Siena 69, Broekfor 64 Siena 69, Broekfor 64 Siena 69, Broekfor 64

Siena 93. Brooklyn Col. 68 Skidmore 68. filiddiebury 66

Skipmore St. Mucoecuty se St. Losepti's El. Mamachese St. Loverence 76, Iftaco 89 St. Peter's 79, Army 85 Sworthmore 57, Hoverland 5 Syrocuse 79, St. John's 62

Ternole 84, Rutgers 53
Trinity 86, Baths 74
Tuffs 96, Warcester Tech 85
Villanung 66, Bastan Col. 54
Weslevan 163, Calby 62

SOUTH Ala-Birminghom 102, Brighom Youn American U. 77, William & Mary 75

Appelochion St. 89, Cliudel 72
Arkenses St. 49, Memoris St. 47
Auburn St. Floride S7
Floride S7, 101, Clacinesti 62

Georgie Tech 71, DePost 70
Georgie Tech 71, DePost 70
Kentucky 83, Mississippi S1. 59
LSU 94, Vonderbill 77
Laulsville 73, Houston 69
Marshall 77, E. Tennessee S1. 72
Marylass 70, Old Depolation 65
Missimales 81, Teorgistee 72

N.C. Witmington 74, James Madist NE Louisiana 91, SW Texas St. 77

NIT Louisiens 74, Som Houston St. 1/ Now-72, Richmend 59 New Orleans 89, Pan American 48 Son Diego St. St. Milami, Fla. 49 South Consultion 15 (Flamms 17)

South Careline 75, Clement & Team-Charlespoon 65, W. Careline 54 VMI 59, Davidson 55 Virsinia Tech LO. S. Mississippi 133, 20T

lastopi \$1, Tenne

N. Coroline St. 77, Duke 74

ALIDNEST Auton 90, Youngelown St. 59

Surry VI, Youngsteen St. 39 Ball St. 48, Alarmi, Ohio 66 Brodley 25, Drake 67 Cent. Attchionn 32, Taleda 66 Cleveland St. 118, N. 1000 22 Detroll 83, Dayton 79, OT 2, Illinois 94, W. Illinois 34, OT

PRIDAY'S SCORES

Basketball

E. Atichipan 78. Bowling Green 64 Indiana 75, Hilpols 74 Inwa 191. Atichiaan 51. 72 Kansas 73. Colorado 62 Kansas 51. 65, Nathrasta 63 Marauette 76, Wake Fonest 57 Ohlo St. 65, Northwestern 59 Ohlo Westevan 86, Kenyon 68 Oktoborne 51. 61, Jowe 51. 78, OT 5, Dakota 51, 81, Jowe 51, 78, OT 51, Louis 66, Evapsville 45 St. Louis 64, Eventsville 45
W. Michigan 65, Kent St. 65
Warne, Mich. 103, Michigan Ta
Wichite St. 102, Indiano 51, 70
Xender, Ohio 89, Butler 74 Xoster, Onto Br, Butter 24
SOUTHWEST
E. Textus St. 14. E. New Mexico 23
McNesse St. 61, Textus-Arlington 62
N. Textus St. 21, Stephen F. Austin 72
Oktohomo 129, Missouri 161
Orol Roberts 82, Loyola, III, 75 Southern Meth. 94, Texas A&M 71
Texas 79, Arkonsas 72
Texas 79, Arkonsas 72
Texas Christian 41, Baylor 59
Tulsa 92, 5, Illinols 74
W. Texas St. 45, Texas A&I 55
FAR WEST
Cal-Santa Barbara 71, Nev-Las Vegas 65
Calorade St. 77, Texas-El Pesa 63
Idaho 74, E. Washinston 64
Idaho 74, E. Washinston 64
Idaho 74, E. Washinston 64
Idaho 74, E. Washinston 65
Inona, Calif. 94, Santa Clora 91
Metha 98, 84, 5, Urbon 78
Nevado-Reno 77, N. Arizana 74
New Mexico St. 77, Son Jose St. 59
Oreson 74, Southern Cal 62

Davis Cup Tennis

Yugaslavin 2. Isalia 2.
(Af New Delhi, Jadia)
Sinbadan Zwelinovic and Goran Prole. Yugaslavia, del. Vilay Ameritral and Anand Amritral, India, 7-5. 6-3. 3-6. 2-6. 9-7.
Roment Kristman, India, del. Bruno Orestor,
Yusaslavia, 4-6. 4-4. 4-6. 6-1. 6-3.

44.42.42.44

Per Coss, Australia, del. Liboraron Lavone, Mandica, 3-7, 4-6, 4-7, 11-7, Francisco Maciel, Mandica, def. Wally Ma-sur, Australia, 3-4, 5-4, 7-5. Per Cost and John Filtoerald, Australia, def. Leonarda Lavalle and Jorge Lazono. Mandica, 4-2, 4-7, 4-2.

(At Gerfe, Sweden) : Stylen Echery def. Kelly Evernden, 12-10,6-

Susp. match.
Younick Hookend Guy Forsel, France, det,
Cloudis Mezzadri and Heinz Guenthardi.
Switzerland. 4-2, 5-4, 6-2.

Oregon 74, Southern Cal 62 Pepperdine 94, Son Francisco 91 St. Mary's. Cal. 77, Gonzaga 64, OT Stanford 94, Arizona St. 63 Utah St. 82, Long Beach St. 75

First Round WORLD GROUP WORLD GROUP
Caschesevekle 5. Peregony 9
(At Proges)
Milosion Mecir and Tomos Smid del, Huga
Chosecu and Francisco Geozales, 6-1,7-5, 6-1.
Mecir del, Chonocu, 6-2, 6-1,
Petr Korda del, Goraniez, 6-4, 5-4,
Deumerit, 2. Speila 2
(At Asches, Dasmerit)
Morten Caristenesen, Denmark, del, Emilio
Sanchez, Spoin, 6-7, 2-4, 6-4, 5-4,
Servic Casol and Emilio Sanchez, Spoin,
del, Peter Bestianese and Michael Martenyer, Denmark, 7-5, 11-9, 6-2,
Servic Casol, Social, del, Marten Christenyea, Denmark, 6-4, 6-4,
Michael Touson, Denmark, del, Emilio Sonchez, Spoin, 3-6, 6-1, 13-11, 6-4

id, 6-1, 6-1, 6-0, Francesco Conceliotil, Italy, del. Arnos Wansdorf, Isroel, 6-4, 6-2. Avetrata 2, Mendos 1 (At Mendos City) Put Costo, Australia, del. Leonardo Lavella.

ien 5. Henr Zeolond 8

Cloudio Mezzodri, Switzerland, del. Henri Leconie, France, 3-6, 5-2, 0-4, 8-4, 5-2, comp. of Switzerland, 6-2, 6-4, 6-3.
Hanri Lecante, France, det, Roland Stadler,
Switzerland, 6-3, 6-4, 6-6, 7.
Yourselt, Noos, France, def, Cloudia Mazzadri, Switzerland, 6-3, 3-6, 6-3.

Washington St. 61, Washington Wyoming 78, New Mexico 72

AMERICAN ZONE Peru 4 Chile 1 (At Ving Del Mar, Chile)

Venezuela 2. Columbia 1

Juan Pino del, Mario Mortinez, 6-1, 3-4, 4-6, 6-1, 1-4, 1-6, Taburez del. Carlos Alvarado, 6-2,

ASIA-OCHANIA ZONE jedosesia S. TheRend B (At Jokarto)

Tintus Wibowo def. Veraphol Yangkamchu.

AFRICAN ZONE Kenya & Ghana B (At Accra, Ghana)

Stobodon Zinolinovic, Yuposlovia, def. ViJay Amritrol, India, 6-2, 6-4, 6-4,
Staiy def, Isroel, 6-1
Shohar Perkiss and Arnos Manadort, Isroel,
def. Poolo Cone and Dispo Nargiso, Italy, 7-5,
6-3, 6-4,
Poolo Cone the burd of the Control of the Co Packs Cone, Staty, del. Gilod Bloom, Israel.

2 9-7.
Edberg and Anders Jarryd del. Everaden
and Clevid Livets, 6-1, 7-5, 6-4.
Jarryd del. Everaden, 8-6, 4-6, 11-9.
Edberg del. Bruch Carlin, 6-1, 6-2.
France 4. Switzerland, 1
(Al Rosel)
Cloudio Mezzadel, Switzerland, det. Henri

arı, awızısınına, o-a arı o-li. Yesi Germeny ş, Sradî ş (A) Essen, West Germeny) Boris Secker and Pairick Kuhnen def. Luiz

National Hockey League Standings

Hockey

Matter and Ricardo Acialy, 8-6, 15-13, 6-4, Külmen del, Matter, 9-7, 6-3, Carl-Live Steeb def, Cassio Matte, 6-1, 6-2. (A) Vino Del Mar, Chile)
Pobla Arraya, Peru, def, Pedro Reballeda,
Chile, 7-5, 6-1, 3-6, 6-2; Jaime Izono, Peru, def.
Juan Pable Quetrola, Chile, 7-7, 6-2,
Eccader 2, Canada 9
(Af Georyasult, Ecuador)
Andres Gomez def, Chris Pridham, 7-5, 6-1, 6-4
4-2, 3-6, 6-4. (Af Correces)

Alvero-Certes Jerdan, Columbia, def. Certes
Cloveria, Venezuela, 3-6, 7-5, 15-13, 11-9; kilcotes Pereira odd Indal Calva, Venezuela, def.
Juan Cortes Jerden and Jorge Falla, Colum-

Brickley (1). Shots on gool; New Jersey (on Chevrier) 11-7-13—31; Vancouver (on Souve) Chevrier') 11-7-13—31; Vancouver (on Souve)
3-7-10—29.

SATURDAY'S RESULTS
Bostoe 2 9 1—3
Quebec 1 1 8—2
Kasser (221, Linseman (19), Neely (29);
Brown (11), Goulet (29), Slots on goal: Boston
(on Brunetto) 13-6-9—36; Quebec (on Lemelia) 10-13-8—31. Bin 10-13-3-31.

Bottole 8 2 1-4

M.Y. Islanders 1 3 3-4

Kerr 2 (17), Konroyd (2), King (4), Wood (16), Mokela (28); Andrevchuk 3 (23), Foliano (28), Salos on poel: Burlios (on Smith) 11-17-4-22; New York (on Cloutier) 18-72-16-46. Hartford 2 2 8-4

Pittsburgh 1 3 1-5

Lemieux 2 (52), Callander (11), McLiwain (11), Sammer (9); Cate (3), Anderson (17). Babych (11), Turgeon (18), Salots on goat: Hortford (on Pietronpelo) 9-8-25; Pittsburgh (on Liut) 9-12-10-31.

M.Y. Rassers 2 1 8-3

Washington 6 8 9-4

Dionne 2 (23), Sandstrom (18), Salots on goat: New York (on Majarchuk) 18-15-9-22; Washington (on Vanblesbrauck) 9-8-2-24. Defroit

Vancouver 18 31 7 43 192 213

Particular FRIDAY'S RESULTS

Calgary 9 1 9-1

Detroit 2 2 8-4

Borr 2 (5), Yzermon 2 (40), Hippins (4); Carbona (15), Lemieux (25), Mamesso (6), Korlon) 9-11-19-30; Detroit (on Vernon) 7-74-20, Mustington 2 1 1-4

Washington 2 1 1-4

Gilbert (9), Treitler (19), Louer 2 (11); Hunter (16), MccLeon (24), Certyle (11); Maruk (16), MccLeon (24), Certyle (11); Maruk (17), MacLeon (24), Expelso (18), Expelso (18), MacLeon (24), Expelso (18), Expelso (18), MacLeon (24), Expelso (18), Expelso (18), Maruk (18), MacLeon (24), Expelso (18), Expelso (18), Maruk (18), Maruk (18), Expelso (18), Maruk (18 Beffold Anderson (2), Smith (7), Foligns (19), Shepson (21), Ruuthu (24); AkcKenne (5), Courhool (21), Ruuthu (24); AkcKenne (5), Courhool (21), Shets en seel: Toronto (en Barrosso) 4-8
B-22; Butido (en Wirepoet) 14-4-9-22
Chicose 9 8 1 9-1
Thomos (12); AkcBoin (25), Shots an seel:
Chicose (an Berthloume) 8-2-18-1--21; Winnises (en Masson) 18-14-14-37,
New Jersey 1 6 8-1
Vancouver 9 3 3-5
Sulter 2 (11), Tonti (33), Sendick 2 (81; Full-Angeles (en Metarson) 12-14-11-37; Los Angeles (en Metarson) 12-14-11-37; Los Angeles

European Soccer

ITALIAN FIRST DIVISION Come 1, Florentise 0 Empoli 1, Inter Milan 1 Alian 3, Caseno 8 Nopoli 2, Piso 1

Tintus Wibowo def. Verashol Yangkamchu.
6-1, 5-7, 6-3, 7-8.
Subaryodi def. Thanakern Sirchapan, 6-2-61, 3-4, 6-4.
Subaryodi and Walion Wolstangi def.
Thonokernchu and Sirchapan, 6-2, 6-2, 6-1.
Wibowo def. Srichapan, 9-7, 6-1.
Scharyodi def. Tanakamchu, 6-1, 6-4.
Sri Lanta 4, Matarski 1
(AN Kuda Lumpur, Alakeysia)
Chow Chin Chupn and Veera Selvam, Malaysia, def. Ariun Fernando and Sulli Fernanda, 5-7, Lanka, 5-7, 7-9, retirad.
Ariun Fernando, 5-1 Lanka, def. Chow Chin Chupn, Matarysia, 4-4, 6-2, 6-2, 1-5, 6-3.
Urnesh Waliospikla, 5-1 Lanka, def. Selvam Veerasingam, Malaysia, 7-6 (7-5), 6-2. Torino 2 Ascoli 1 Verona 1, Sampooria 1
Pelats: Napell 31; AC Milan 27; Roma 24;
Sampdoria 22: Inter Allian 21; Juventus, Verona, Torino 18; Cesena, Pescaro 16; Fiorentino 14; Ascali, Plsa, Como 13; Aveilino 11;

SPAMISH FIRST DIVISION Osesano 1, Real Socieded 2 Verosingan, Malovala, 7-6 (7-5), 6-2
Philippines 2, Japan 2
(At Mealle)
Raymand Surrez and Rod Rodeal, Philippines del. Hillochi Shirato and Elli Tateuchi. Cediz 3. Sebadell 2 Atletica de Madrid 7. Mallorco 6 Athletic de Blibao 1, Lourones 6 Valencia 3. Cetta 6 pines, def. Hitoehi Shirate and Elli Takeuchi, Japon, 7-17, 6-4, 6-4, 6-4, Andres Battud, Philippines, def. Skiperu Okta, Japon, 6-4, 2-6, 6-1, 6-4, Raystond Sucrez, Philippines, def. To-shiftiga Tsuchitashi, Japon, 3-6,

ENGLISH FIRST DIVISION Luten 7, Oxford 4 Monchester United 1, Coventry 8 Norwich 0, Wotterd 0 Nottingham Forest 2, Cheisea 2 Portsmouth 2, Derby 1 Queens Park 2, Chariton 0

Sheffield Wednesday 2, Souther Wimbledon 6, Newcastle 6

Wimbledon G, Newcastle 8
Peints: Liverpool 63; Northnehorn Forest,
Manchester United 48: Everton Queens Park
Q; Arsenat 42; Wimbledon 41; Luton 33; Shef-field Wednesday 37; Newcastle. Tottenham 31; Southempton 32; West Ham. Chefsea 31; Portunouth 29; Norwich 26; Coventry 25; Derby 24; Watferd, Oxford 23; Chariton 28.

Transition

BASKETBALL
Retieved Sestetbell Association

Gijon 1, Real Modrid 2
Petrits: Real Modrid 36; Atletica de Modrid
39; Real Sociaded 29; Athetic de Bilbos 77;
Vojiadelid 24; Cartos, Cadiz, Sevilia 22; Ososuno 21; Zoropezo, Barceteno, Valencia 20;
Gijon 19; Esperiol 18; Mallores, Los Polmas
16; Betts, Murcio 15; Loorones 14; Sabadeli 12.

yet they were only narrow favorites third quarter traced a long jagged at Twickenham Sanırday. The English had outplayed the French in Paris, especially in the lineout, and lightning bolt.

England's manager, Geoff Cooke, declined to contemplate stricide. "We've still got the nucleus of a side we can build on," he said.

Scottish pressure had France on the ropes. The score went from 7-6 things together. When they put it all to 23-6 as inspired pressure forced trings to pile up the penalty points. The Scots had lost to Ireland in Dublin, 22-18, on opening day. They play Wales in Cardiff on Day 3, and England in Edinburgh in Phil May were gradually setting on bedazzied Englishmen and sections were periods when they put it all raid that ended in Hadley's first try. The second scarlet bolt to the left corner began at a lineout 29 meters (32 yards) from the Welsh line early in the fourth quarter. Davies, center Mark Ring, flanker Richie Collins, Norster and center Bleddyn Bowen bedazzied Englishmen and sections way: Interest coordinate in a raid that ended in Hadley's first try. The second scarlet bolt to the left corner began at a lineout 29 meters (32 yards) from the Welsh line early in the fourth quarter. Davies, center Mark Ring, flanker Richie Collins, Norster and center Bleddyn Bowen bedazzied Englishmen and seconds scarlet bolt to the left corner began at a lineout 29 meters (32 yards) from the Welsh line early in the fourth quarter. Davies center Bleddyn Bowen bedazzied Englishmen and seconds scarlet bolt to the left corner began at a lineout 29 meters (32 yards) from the Welsh line early in the fourth quarter. Davies center Bleddyn Bowen bedazzied Englishmen and seconds scarlet bolt to the left corner began at a lineout 29 meters (32 yards) from the Welsh line early in the fourth quarter. Davies center Bleddyn Bowen bedazzied Englishmen and seconds when the put it all that ended in Hadley's first try. 3, and England in Edinburgh in Phil May were gradually getting on bedazzled English defenders and the their finale. The French host Ire- top in the lineout Even the scrums crowd of 62,000 with athleticism

The mood in the Welsh dressing World Cup, behind New Zealand steering them back upfield out of room? "Jubilant," said Bowen, the



1 0 1-2 Welsh flanker Roland Phillips, carrying himself and the ball free from the grasp of Peter Winterbottom.

Cup Series to Have California Venue

the next defense of the America's races.

ry Bay Boating Club entry tenta-multihull boat also is a first. tively is scheduled for Sept. 15 in San Pedro Bay, which is bordered Diego club's plans for a 1991 multiby Long Beach and Los Angeles. national regatta off San Diego with

events like the 1984 Olympics and the annual Congressional Cup," Tom Ehman, executive vice presi-types of boats being built, Ehman Tom Enman, executive value said.

dent of Sail America, said late Frident of Sail America, said late FriWe can't race in San Diego in

SAN DIEGO — Waters off the over the Australian defender, challenge was upheld by the New Los Angeles area were selected for Kookaburra III, in four straight York Supreme Court on Nov. 25,

match between the San Diego ing different types of boats. The Yacht Club entry and Fay's Mercu-defending champion's plan to use a

"San Pedro Bay is a world-class 12-meter craft like those used in the race course, site of top racing past 30 years of cup racing, events like the 1984 Olympics and The decision to move the race from San Diego was dictated by the

12-meter entry, Stars & Stripes. Ehman said that Fay, whose was grateful that word of the venue Cup in a yacht-racing series forced by the unorthodox challenge of Michael Fay, a New Zealand banker.

The September series will be unprecedented in the 137-year history of cup competition because the delimination of the best-of-three fender and the challenger are build-have to inform Fay of the site until

> boat New Zealand lost to Conner in last year's challenger finals, had based his call for an early race on a literal interpretation of the Deed of Gift, a 100-year-old document that governs America's Cup competi-

Fay, a millionaire banker whose

In response, the defenders said a strict interpretation of the deed allows them to exclude other compet-Sail America is managing the September because there is not itors, and gives them latitude on cup defense for the San Diego enough wind for these 21st-century yacht design and course location. Yacht Club, which won yachting's ry, super-high performance craft They announced Jan. 22 that they most prestigious trophy last year that both New Zealand and Stars & would build two multihulls, one of when Dennis Conner skippered its Stripes are designing," he said.

The Anthropologist and the 'Jellyfish'

By Christine Chapman TOKYO — "Japan is like a jellyfish," said Professor Chie Nakane. "It has no bone but an integral internal order."

Nakane is the woman who revealed to the world the truth about Japan in her 1970 study Japanese Society," written in English and translated into Arabic, Chinese, French, German, Indonesian, Korean and Thai Published originally by Weidenfeld and Nicolson, London, and now in Penguin Books, the book presents a structural analysis of the country based on the idea that it is organized vertically in a series of links from guiding superiors to obedient subordinates, a relationship much like that of parents and children, which is Nakane's central image.

To Nakane, who recently won the 1987 Japan Foundation Award for her comparative research of Asian nations, the the-ory still holds 20 years later. (An earlier Japanese version was the 1967 Tateshakai-no-nigenka-kei, or Human Relations of the Vertical Society.") Nakane feels that the popular social studies approach, that Japan is a nation torn between traditional and modern elements, is incomplete and perhaps inaccurate. She describes Japan as "one well-inte-grated entity," a hierarchy of willing organization men and few women. She proves this fixed pattern with wit and examples from industry, the government, academia. politics and the family.

In its lucid explanation of Japanese society, the short book is almost a blueprint for the orderly state in which everyone knows his place. Nakane points out the benefits to the nation and the disadvantages to the ambitious individual who must forgo the fast track to personal success. Written during the latter days of the student protest movement, the book acknowledges "a cruelly heavy handicap against the powerless and the socially inferior," but maintains that a rebellion "will never succeed in changing the so-

cial structure." The core of the country remains the same," she said in a recent interview. "There are changes on the periphery of society. Because of Japan's affluence younger people often change jobs, unlike in the past. But once one

becomes middle-aged, it is a disadvantage to move on and diffi-

Other conclusions in "Japanese Society" that Nakane believes are still valid are that the emphasis on the institution one works for blurs class distinctions, since personal relations within the group are more important than family background; that family kinship is less strong than group relations and less important than in England and America, and that graduation from a high-ranking university provides "direct access to the roy-

In spite of acclaim for "Japanese Society" as a classic interpre-tation, some critics at home disliked it, Nakane admitted. "They said it was 'too clear-cut,' and others believe Japan is evolving. 1 wanted to explain the internal system, the function of society. The culture has so much emphasis on nuances, on ambiguity, that I find it easier to explain Chinese

Born in Tokyo on Nov. 30, 1926, and except for a period in China, brought up here, Nakane's primary work has been studies of the cultures of India. China and Tibet, where she continues to do field work. Although she retired last year from the University of Tokyo, where she was the first, and only woman to head the Institute of Oriental Culture, she is still an active anthropologist.

She explained the method behind her recent prize-winning research: "I divided Asia into two blocks, including those countries with social principles like China and India and those without, like Japan and Southeast Asia. Japan and Southeast Asian societies tend not to have philosophies like China's Confucian ethic, or India's caste system. Here people act according to circumstances, depending on the situation, rather on the principle. Tibet, my specialty since student days, is a mix-

ture of the two types." As a girl, Nakane lived in China, where her father was a businessman. When she returned to Japan, she was unhappy about the "culture gap," which eased when she entered Tsuda College, a progressive private university for women. There she majored in English literature and, on graduating



Professsor Nakane, one of Japan's first social anthropologists.

one of the first woman allowed to ous capacities to the University of occupation's insistence on equal rights in education for women. In 1950 she received her bachelor's degree in Chinese and Tibetan and continued her studies at the London School of Economics and the Italian Institute of Oriental

Nakane belongs to "the first generation of Japanese social an-thropologists," but she has no doctorate. "There was no one to study under here." The field of

at the Oriental Culture Research Institute, then continued up the ladder until, in 1970, she became the first woman professor at the in 1947, she was accepted by the University of Tokyo. Her peripanational University of Tokyo - tetic career has taken her in vari- years she has focused her surveys the arts.

It is no surprise that the adventurous Nakane is today an out-spoken critic of Japan's "exclu-sionism," its historical reluctance to become internationalized. In November before the Women's International Symposium, a gathering of more than 200 women held outside Tokyo, Nakane gave the keynote speech on Japanese insularity. To delegates from Af-

Kansu. Qinhai, Tibet, and

Jangsu. Today she travels with three Chinese assistants, but in

her first few expeditions in the

early 1950s she was accompanied

by four porters and a gun-carry-

rica, China, Europe, India, Japan, and the United States, she spoke bluntly of Japan's "closedness," citing four recent examples: the lack of acceptance of the boat people, the shunning of returning war orphans" (those now mid die-aged children who were left in China 43 years ago when their parents fled before the Russians), the ill treatment by classmates of returnee" children who re-enter Japan's school system after living abroad, and the resistance of Japanese business toward American efforts to bid on the proposed Kansai International Airport.

"The word 'internationalization' is a buzzword heard only in Japan." Nakane said. "Other countries don't talk about it. Because it is closed they shout 'Internationalization!' and those who shout the loudest speak only Japanese. In Japan the basis of matriculate, because of the Allied London, the University of Chica- the culture is that people are all go. Honolulu's East-West Center, Cornell University, and the Center for Advanced Studies in Beauty and the United States do Only the United States do Only Japanese think their culture is dif-

She has decided to use her fivemillion yen prize from the Japan Foundation, about \$39,000, to subsidize the publication of books by Asian scholars in social anthropology and the related social

She plans to continue her studies in Tibet and meet her "commitments in India and China." Nakane once said she had "no time for a husband," and added: "I am not a typical Japanese. I don't like to walk in a group.

Christine Chapman is a Tokyo-

LANGUAGE

Juddering, an Arresting Modifier

By William Safire

WASHINGTON — "Britain's steadily growing prosperity," boasted Nigel Lawson, the British Chancellor of the Exchequer, "is not some short-lived boom, which could come to a juddering halt at any moment." Only a year before, the leader of Britain's Labor Party, Neil Kinnock, expressed the hope that America's policy toward Nicaragua would be "brought to a juddering halt."

"brought to a juddering halt."

Juddering is an arresting modifier for halt. I had circled that participle in a Mercedes-Benz ad recently:
"In place of juddering tires comes an unflustered negotiation of the road's flaws." My own car —a 1969 Congar on its way to becoming a classic if it doesn't judder itself to an early junkyard — shakes and rattles and, let's face it, becomes hopelessly flustered when negotiating the road's flaws, which it calls "potholes." The word is often used to knock engines that knock.

Marchall Schuon, writing in praise of the Corvette in Marshall Schuon, writing in praise of the Corvette in The New York Times in 1980, cautioned that the stiff suspension, so road-gripping on smooth terrain, "goes into its oh-wow frenzy" on rough roads, "juddering and slewing and causing the plastic body to creak and

This is an 1800s English dialect word from Suffolk and Somerset that is now making it in the United States. Although quivering halt is still the preferred cliche, juddering is filling a need for a noisier modifier. In 1902, the verb judder appeared in The English Dialect Dictionary as a variant of jouder, defined as "to rattle, shake, jar," with an 1892 citation defining the sound resulting from it as "such as is caused by machinery "hoocking" when some vert is not enjoy machinery 'knocking' when some part is not going smoothly." In his first novel, "Hatter's Castle," A.J. Cronin in 1931 wrote of a train "juddering in every bolt and rivet of its frame as the hurricane assaulted."

When to use it? Jolting and bumping connote a series of shocks. Vibrating, oscillating, shaking, shuddering, trembling and quivering call up movement back and forth, with jogging the slightest of shakes and with quaking and quavering most closely associated with lear. Bumping, knocking and rattling are used to show fear. Bumping knocking and rattling are used to show how noisy the shakiness can be. Juddering carries both the bumpiness of jolt and the shakiness of shudder, and may have been coined by combining the two words.

IN the course of campaigning, all candidates make language mistakes; as Martha Taft, wife of Senator Robert A. Taft, said of her husband's favorite target, To err is Truman." Some solecisms, however, are positively creative.

George Bush, rejecting a comparison by Bob Dole about the value of congressional experience over ap-pointive office, said he had served in the House "long enough to understand how it works, but not long enough to get kind of pre-opted by the situation there."

A pre-option was used in 1666 to mean "an option before any one else; right of first choice." This could not have been what Bush, who has been running a long time but not that long, meant. He obviously intended

of the Signorie of Venice," was "He sufferd himself to be coopted into the Colledg of Cardinalls." Over the years, the meaning evolved to "to take as one's own," colars so often happens when a local figure gets sent to ke.

Washington and falls in with national elements. Frank Cormier of The Associated Press said in 1979 that Lyndon Johnson was always trying to "co-opt reporters into becoming part of his team."

Bush's creative contision comes from a voguish

verb with a similar meaning, pre-empt. That is rooted in the Latin emere, "to buy"; pre-emere was to buy beforehand, or to exercise a right of first option. When a labor union anticipates a runaway-plant maneuver by management and walks out first, that could be called a pre-emptive strike.

The distinction between the current meanings of co-opt, "to absorb," and pre-empt, "to hit first," is worth preserving; we must not permit pre-opt to take hold, lest both meanings be co-empted.

ONLY a decade ago, in my favorite political dictionary, the definition of juice was "political power," and the observation added, "The word appears to be squeezing out *clout.*"

That was then. In current usage, the word has taken on the added meaning of "money." Martin and Susan Tolchin, in their new book "Buying Into America: How Foreign Money is Changing the Face of Our Nation" (Times Books, \$18.95, well worth the juice), a chapter is entitled "The 'Juicing' of California."

A legislative bill that causes lobbyists on both sides

to loosen the purse strings is known as a *juice bill*—"so named," write the Tolchins, "for the hundreds of thousands of dollars that could be squeezed from it." In one case, a tax bill was delayed for a couple of years because legislators did not want to act too soon on an issue that attracted so many contributions on both

Dan Walters, a columnist for The Sacramento Bee, is quoted as first saying. "There's enough grease to fry a dinosaur" — using a venerable political Americanism, grease, for "money" — and later commenting, "If you want to play in the arena politically with a juice

WRITING about New York Mayor Ed Koch, the columnist A.M. Rosenthal defined a Yiddishism that is gaining wider use: "He is so enamored of shicks — Latin for making a comedy turn out of almost anything — that his life seems to be a succession of vaudeville performances. . . . Shticks and all, he will be remembered."

In "The Joys of Yiddish," Leo Rosten found several meanings for shrick, which he spells shrik: "piece" or "part," as in "Give him a shrik cake"; "devious or cheating behavior," as in "How did you ever fall for a shrik like that?" and, the most common, "a studied, contrived or characteristic piece of business employed by an actor or acteress," exemplified by "Watch him use the same shrik."

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him use the same shtik." Remember Paul Henreid lighting two cigarettes and not have been what Bush, who has been running a long time but not that long, meant. He obviously intended to say co-opt.

There's a verb with a political history. Three centiness ago, it meant "to elect into a body by voting." The earliest citation, from James Howell's 1651 "A Survay of the Signorie of Venice." was "He entitled himself to the pasting one to Bette Davis in the 1942 film "Now, voyager"? I don't know how many holes I burned in pants trying that bit of business, which became his shick. The term has gone beyond show business, however, and has joined the general slanguage in the sense of "one's particular thing."

My primary job is murditory has a statistical particular thing."

My primary job is punditry, but my shtick is language. A small bit of business, maybe a quick column on synonymy, is a shtickl. Rhymes with pick-New York Times Service

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